THE FOOD MARKETING INDUSTRY SPEAKS

1980

The Food Marketing Industry Speaks

Considering the shape of the economy in 1979, the food marketing industry fared quite well overall. Inflation, however, did take its toll on performance, and the spectre of a recession invited caution. The most significant warning flag last year, and one warranting primary attention this year, is productivity.

This report provides an overall view of the industry and a detailed look at several interest areas. It reviews the general economic setting in 1979, as well as the performance of the industry and individual companies in that setting.

It highlights store openings and closings, and sales and profit trends. The report also takes an in-depth look at the produce department, costs of advertising, various promotional techniques, and a more expansive survey of energy conservation in the industry.

Much of the industry data is compiled through FMI's annual survey of members. This year 231 companies responded. FMI gratefully acknowledges all those members who gave their time and effort to fill out the questionnaires.

Industry information is also drawn from other FMI research reports such as *Operations Review* and *Facts About New Supermarkets*. The Institute would also like to acknowledge data gathered from *Forbes* Magazine, The U.S. Departments of Agriculture and Commerce, and many other business and government publications.

While this report contains the complete analysis for 1979, it does not include the cross-tabulation of survey data from which this analysis was developed. This information, providing a more thorough look at industry activity, is contained in a separate, supplemental report entitled *Detailed Tabulations from the Food Marketing Industry Speaks, 1980*. Another publication, *Supermarket Trends, 1980*, parallels *Speaks* by presenting the state of the nation from the consumer side. *Trends* explores consumer attitudes toward the economy and the supermarket, and analyzes changes in consumer concerns and shopping patterns.

Conducted by:

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In 1979

Retail Sales Gain	15.0%
Wholesale Sales Gain	16.0%
Sales Per Square Foot	$6.49
Sales Per Transaction	$11.60
Sales Per Labor Hour	$76.77
Gross Margin With Warehouse	22.3%
Gross Margin Without Warehouse	20.5%
Net Profit (before taxes)	1.9%
Average Weekly Store Sales	$110,000

These operating results are typical of FMI's member supermarkets. They represent average performance based on data from a cross-section of our membership.

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The Economic Setting

The year 1980 is a landmark for the supermarket industry—its fifieth anniversary. The last decade has shown the industry to be a mature one but one which is far from stagnant. By having to survive in a highly competitive marketplace, it has developed a dynamism unparalleled by any other industry.

In spite of the basic creativity and resilience of the grocery industry, the Eighties are looked at with a sense of caution. Caution spawned not so much from within the industry, but from outside—from the general economy itself. Each decade usually ends with a flood of "looks ahead." Usually these passages have been accomplished with a sense of optimism, with a sense of escape from a past of promise to a future of fulfillment. But not this time. For the first time in recent memory, the Eighties find few looking ahead with any real sense of optimism, an important commentary on the public mood.

Contributing to this mood are some specific factors which have influenced the economy in 1979 and in early 1980.

In energy:

- Oil imports stayed at their high levels, and per barrel prices have now risen to about $30, a 79 percent increase in one year.
- The nation experienced gasoline shortages, and the short-fall in diesel fuel proved very dangerous to our distribution system.
- Rising utility prices continue to take an increasing chunk out of operating costs.

In the economy, factors which have had a downward influence include:

- An enormous rate of inflation, contributed to by oil prices, government deficits, excessive government regulation, declining productivity, and automatic indexing through COLA's.
- Other inflationary factors—the growth in credit and decline in savings as well as record high interest rates.
- Hardest hit in 1979 were the auto industry, housing, tourism *and* food away from home.

The problems being faced today are not confined to the U.S. Inflation is a worldwide problem underscoring the growing interdependence of world economies. In the U.S. alone, the average of exports and imports as a percentage of total output almost doubled during the 70's. This means that no country can chart a completely independent course for domestic economic policy.

In spite of these problems, however, there were some positive influences on the economy last year:

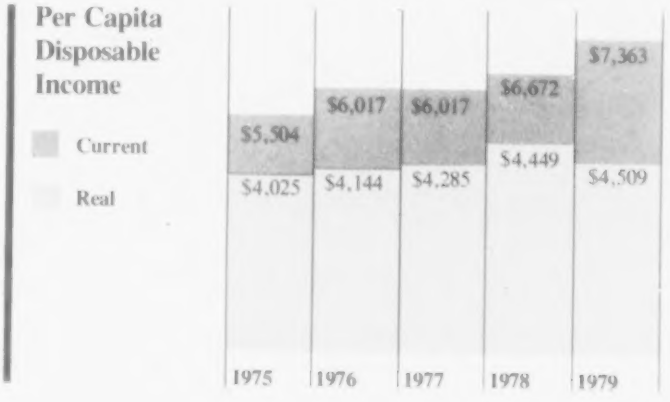
- The government forecast a '79 deficit of $37 billion, but ended up with $27 billion because of low unemployment and higher tax revenues.
- While many feel the U.S. is now entering a recession, it never did materialize in 1979.
- The nation's unemployment rate continued to drop, from seven percent in '77 to six percent in '78, to 5.8 percent in '79. The number of persons employed also rose by 2.5 million.
- For the fifth consecutive year the U.S. had record farm crops.
- The low rate of inflation for food at home, although given little credit, remains as the bright spot in the economy.

Economic Growth

In 1979, our Gross National Product was $2.4 trillion in current dollars, and $1.4 trillion in real, or deflated, dollars. The GNP is the national production of goods and services. While the GNP has been growing, the rate of its growth has been declining. The GNP's real growth in 1979 was about two percent, compared to about four percent in 1978, five percent in '77 and six percent in '76.

The overall inflation rate, as measured by the Consumer Price Index, was 13.3 percent in 1979. This was a hefty increase from the nine percent climb in 1978 and 6.8 percent level in 1977. There is some modest good news in this, however.

Per Capita Disposable Income



The rate of prices for food at home declined to an average rate of 9.5 percent in 1979, in contrast to the 12.5 percent rise in 1978. Prices for food away from home, though, continued to rise steadily. Last year's increase was 11.4 percent, compared to the 10.3 percent and eight percent rises in 1978 and 1977.

Part of the continued rise in food prices came during the first half of 1979 as the country found itself still at the bottom of the beef cycle, the supply having dropped by nine percent. And despite record crops of most grains in 1979, world demand for 1978 reserves forced prices up. Furthermore, prices for fresh fruits and vegetables increased by just over 20 percent, due in part to weather-damaged crops and labor disputes in California. It is also important not to omit the roles of increased rail and truck rates and diesel fuel prices from the cost of food last year. Food processing costs also rose, about 12 percent.

Pressure on food prices is expected to continue in 1980, at a rate estimated by USDA of 7 to 11 percent above 1979.

Food Production

While on the subject of food prices, it is worthwhile to look at food supplies in 1979. With one exception, namely beef, last year was a record-setting one in major commodities.

The U.S. produced another record corn crop last year, up almost 10 percent. These production levels for corn, our primary feed grain, have been welcomed by our dairy producers and livestock feeders.

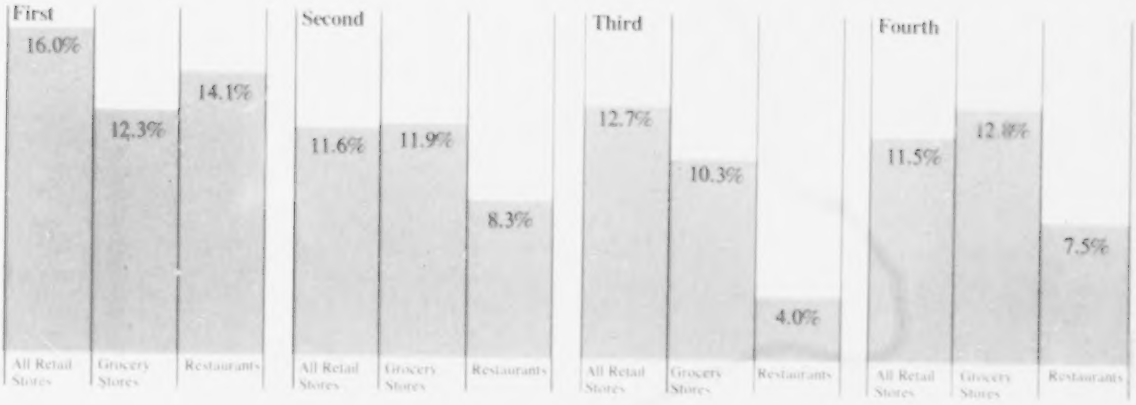
Milk production reversed its 1978 decline, by rising over one percent. The increase in milk production was helped by favorable milk-feed price relationships.

Wheat production in 1979 was at near record-setting levels, increasing over 19 percent from 1978. Interestingly enough, even with the Soviet grain embargo, U.S. total wheat exports will still be at record levels.

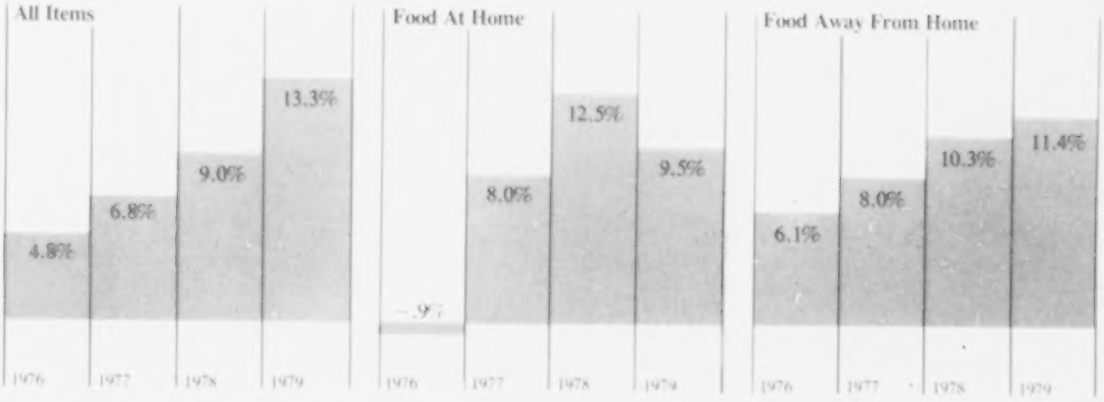
Another welcomed sign was the increase in coffee production. Although only slightly higher than 1978, the 1979 level continued a steadily increasing supply.

Sales Increase over '78

By Quarters



Consumer Price Index



Helping out in supplies of meat was last year's level of pork production, representing a 16 percent increase over 1978. USDA expects this production level to continue. But there is an omen here, too. Right now, the USDA feels that pork prices are below the production cost level. If there is a liquidation of a large part of the hog inventory, retailers could see significant cost increases later on.

The increase in pork production went a long way toward offsetting an 11.5 percent decline in beef production. The supply of beef dropped because cattlemen curtailed cattle and calf slaughter in order to rebuild their herds. USDA expects a beef price rise of 10 to 12 percent this year.

Retail Sales

Retail sales are an important part of any overview of the economy. There are markedly different changes from last year's figures, most of it due to the impact of inflation.

All retail store sales registered strong increases over 1978 sales levels. This means, for one, that in 1979 people were still making durable purchases in anticipation of higher prices to come. It will be interesting to see what happens to retail sales as credit controls are tightened.

As far as grocery store sales are concerned, the Commerce Department reports that total food store sales hit almost $195 billion. Grocery store sales increases over 1978 got off to a good start in the beginning of last year, and also finished up well.

Restaurants had a poor year. In 1978, restaurant sales had outpaced those of food stores in every quarter. In 1979, restaurant sales lagged behind food stores in the last three quarters. Part of this drop in restaurant sales was due to rapid growth in prices for food away from home. In 1979, almost 25 percent of consumer food expenditures went to restaurants. Inflation may change this proportion.

Consumer spending is an important factor to keep in mind these days. This spending is usually estimated by looking at disposable personal income. In 1979, per capita disposable income increased just about 10.5 percent, slightly lower than the year before. However, when the effect of inflation is removed, things look dramatically different. In 1978, per capital disposable income grew 3.8 percent based on 1972 dollars. In 1979, disposable income had real growth of only 1.4 percent. This means that consumer purchasing power is barely rising at all.

The drop in the rate of disposable income is both a result and a cause of inflation. Installment credit has reached an astronomical level of 19 percent of disposable income, worrying most economists that people are spending above their means. At the same time, the level of savings has continued its four-year decline to a record-low of 2.3 percent of disposable income. There is, therefore, less money to lend, driving up the cost of money in the form of higher interest rates.

The Industry

Wholesaling

Wholesalers have been an important part of FMI, both on operations and public affairs issues. They lend strength to their independent operators and to FMI's industry voice.

Wholesalers provided a great span of membership services, with advertising programs, real estate and store engineering being most popular. At the bottom of the list, but not insignificantly, were scanning support and direct store delivery services.

Among product categories stocked, dry groceries and frozen foods naturally were offered by all wholesalers, but more are also supplying health and beauty aids. The number of wholesalers providing beer has also increased, although slightly. Among general merchandise items stocked by wholesalers, hosiery, photo and school supplies led the list. Also, wholesalers moved almost 10 percent of product volume as private label, up from the 1978 level of 6.5 percent.

As far as sales are concerned, independent food stores comprised the largest percentage of sales volume at 58.3 percent, with food chains accounting for 22.7 percent, corporately owned stores 10.1 percent, and convenience stores 4.2 percent.

The average wholesaler saw a 16 percent increase in sales in 1979, similar to 1978. After eliminating the inflationary effect found in the wholesale price index, real wholesale sales increased a very respectable seven percent.

One question we asked of wholesalers for the second year in a row is average distance between distribution centers and stores. In 1978, the figure was 55 miles. In 1979, the average distance was 62 miles, higher for retailers (76 miles) and lower for wholesalers (55 miles).

Retailing

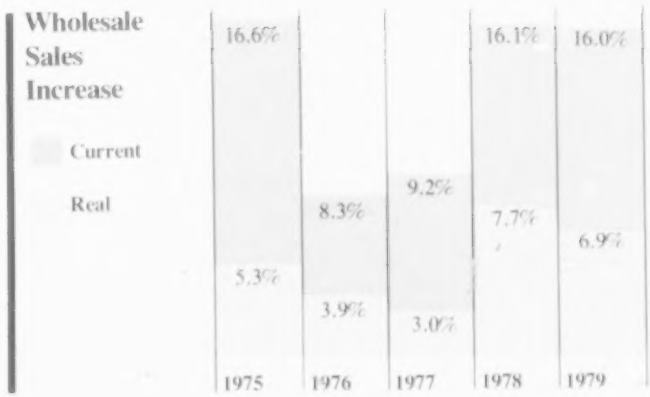
From the retailing side of the business, wholesale and warehouse sources remain equally important. In 1979, all retail companies had 31 percent of their operations supplied by their own warehouse; for chains, it was 77 percent. Independent retailers reported mixed affiliations: 23 percent with voluntaries, as well as with cooperatives, and 15 percent with affiliated wholesalers.

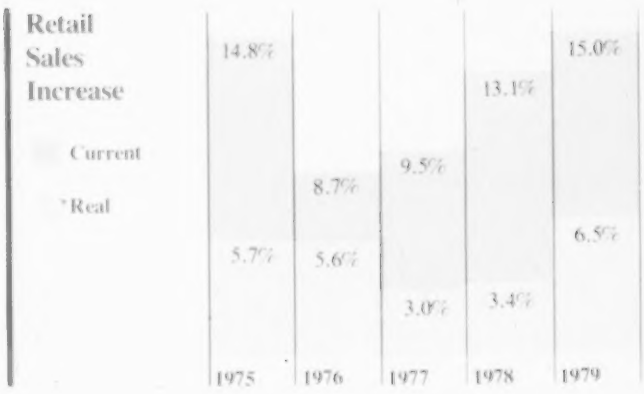
The typical retailer had a 1979 sales gain of 15 percent, compared to 13 percent in 1978. Removing the effect of inflation, the real sales increase was 6.5 percent, a great increase from the 3.4 percent '78 level.

A comparison of identical stores operated in 1978 and 1979 shows a sales increase of 11.7 percent. After accounting for inflation,

Membership Services Provided by Wholesalers

Advertising Program	84.6%
Real Estate & Store Engineering	84.6%
Handle Private Label	84.6%
Member Payroll	74.4%
Interior Decor & Design Service	71.8%
Product Movement Data	69.2%
Individual Retail Pricing Program	64.1%
Gross Margin Report by Item	64.1%
Retail Accounting Service	61.5%
Discount Programs	61.5%
Space Allocation	56.4%
Scanning Support	43.6%
DSD System	41.0%





this level translates to a real sales gain of five percent. Again this year, total sales have increased more than identical store sales. New stores continue to play an important role in industry performance.

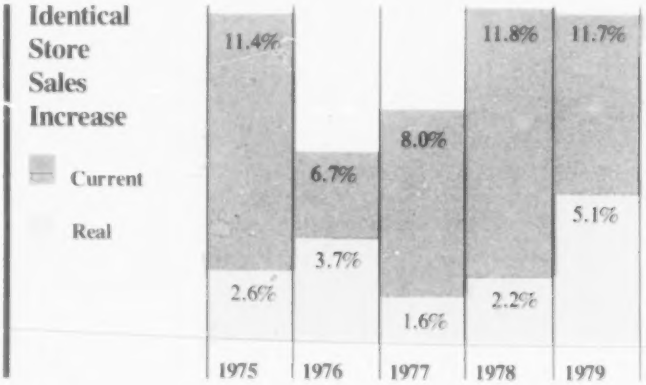
So does profitability, which must be adequate for investments to build new stores and improve productivity. FMI's own financial review is not yet complete, but some figures can be pulled from secondary sources. *Forbes* Magazine provides an indication of the trend each year in their January issue.

This year *Forbes* reports a return on total assets of 9.9 percent. For the past three years now, the industry's capital productivity is improving at the same pace, albeit very slowly.

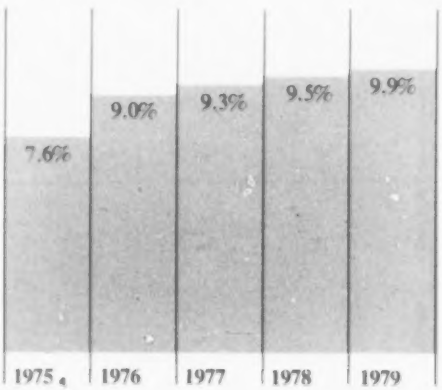
The return of the owner is best measured by return on net worth. The *Forbes* figures show a return of 14.4 percent, a very healthy increase over 1978. Incidentally, based on a five-year average return on equity, the supermarket industry ranked 17th of the 30 industries surveyed each year by *Forbes*.

The *Forbes* data are based on only the annual reports of publicly held companies and therefore are not as broad in coverage as FMI's *Annual Financial Review*. The FMI report also breaks performance by size category. By way of illustration, the 1978 returns on net worth from the FMI report showed that larger firms are starting to regain some of the profitability they have not seen in the past five years. To see how the distribution looks for 1979, FMI will send each member a copy of the report upon request. The FMI data are from Securities & Exchange Commission reports which are not available soon enough to be summarized for this report.

Identical Store Sales Increase

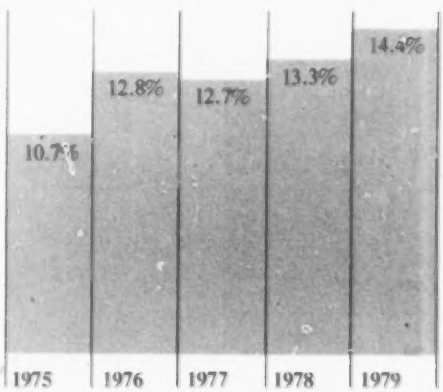


Return On Total Assets *



Source: *Forbes*

Return On Net Worth *



Source: *Forbes*

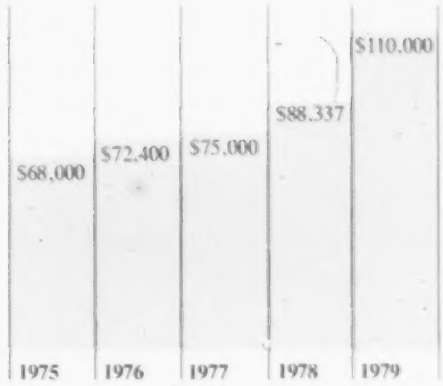
Company Performance

Weekly Store Sales

Average weekly store sales in 1979 rose 24.5 percent to $110,000, much greater than 1978's 17.8 percent rise to $88,337. With the expansion in store size has come an increase in the average number of items carried, from 11,767 in 1978 to 12,745 in 1979. The average price per item is 94 cents.

General merchandise plays an important role at store level. Among the product categories, pet supplies, books and magazines, and hosiery were offered most, with appliances at a low, but not unimportant level. General merchandise accounted for four percent of sales last year.

Average Weekly Store Sales

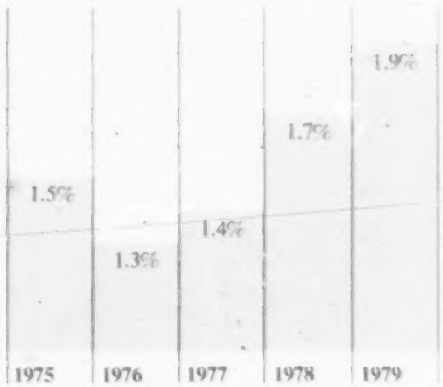


Gross Profit Margin

Gross margin measures the portion of the consumer's food dollar used to cover all operating expenses and profits of the food retailer. It is measured as a difference between the cost of merchandise to the retailer and the amount which the retailer receives upon sale of the merchandise, expressed as a percentage of the retail value.

Gross margins declined slightly last year. The gross margin for companies *without* their own warehouse dipped to 20.5 percent, while companies *with* their own warehouse remained just about stable at 22.3 percent. The store-door margin stayed at the 1978 level of 18.9 percent. This number represents store costs and operating profit only. One other item monitored on a regular basis is inventory shortage or shrink. Total inventory shrink registered at 0.6 percent of sales in 1979. The mid-range was from 0.5 to 0.8 percent of sales.

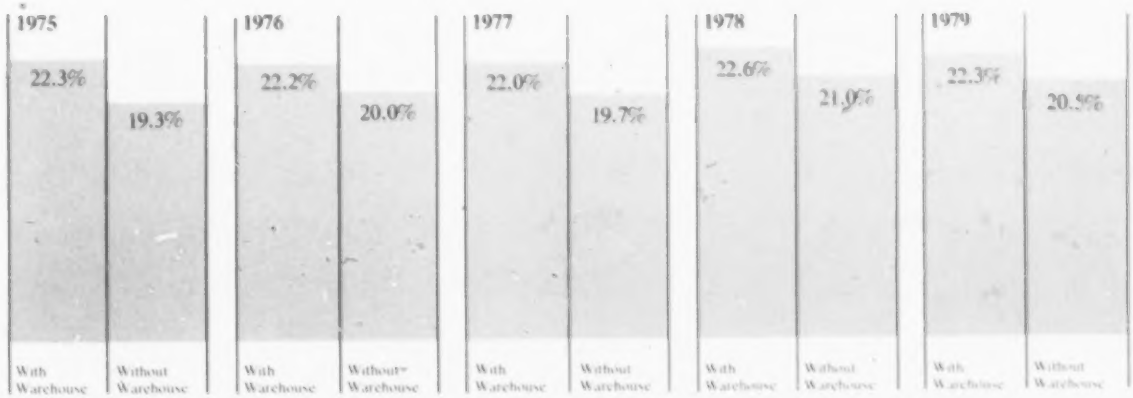
Net Profit Margin before taxes



Net Profit

With relatively stable gross margins, the net profit margin before taxes of the average company increased to 1.9 percent of sales in 1979. Typically, the worst quarter was the first.

Gross Profit Margin



Store Labor Cost

Wage rates continued their steep climb in 1979 with the average hourly labor cost rising almost 10.5 percent to $5.92, up from the nine percent rise in 1978. Although hourly wages went up, store labor cost increases remained stable. Direct labor costs rose to 8.3 percent of sales, fringe benefits to 1.8 percent—for total store labor costs of 10.1 percent of sales.

While talking about labor costs, FMI asked a couple of questions on personnel. We found that throughout the industry, 92 percent of total employees work *in* the store. Of the number of store-level employees, 51 percent are part time. The turnover rate for store-level employees is 74 percent for part-time workers and 21 percent for full timers. One additional factor, about 25 percent of the time, the average checker is assisted by baggers.

Productivity

Productivity has become a major concern throughout the country. The national productivity of U.S. businesses and workers fell 0.9 percent in 1979. This was only the second time in 32 years that productivity has fallen. The decline means that paid working hours increased at a faster rate than economic output. Let's look at how the industry fared with the three standard yardsticks for measuring productivity.

- *Sales per Square Foot*

With rapidly increasing energy and labor costs, sales per square foot is critical. The figure in current dollars for 1979 was $6.49 per square foot, a 5.2 percent increase from the year before. However, the rapid rate of inflation makes a current dollar figure deceptive.

Real sales per square foot, adjusted to remove the effect of inflation, is a much more reliable figure. Last year, this figure was $2.83, down 5.7 percent.

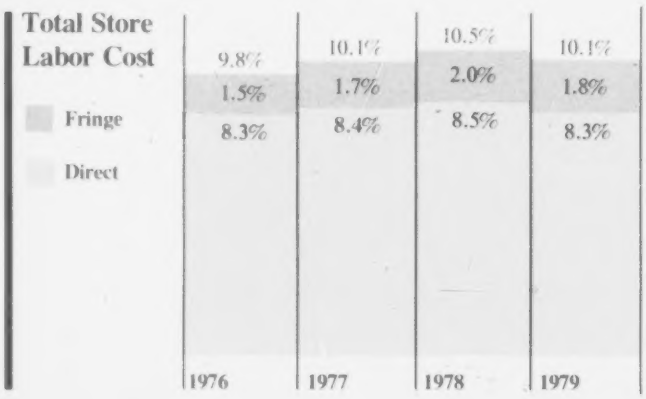
- *Sales per Transaction*

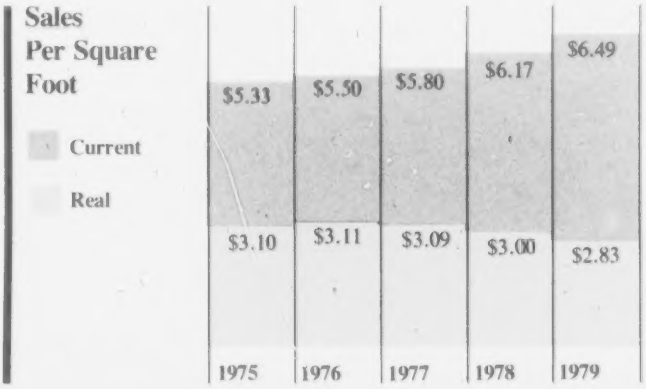
Sale per transaction should bear close watching due to industry efforts to increase front-end productivity. Current dollar sale per transaction rose 12.8 percent to $11.60 in 1979. In terms of keeping pace with inflation, however, real sale per transaction rose barely one percent to $5.05.

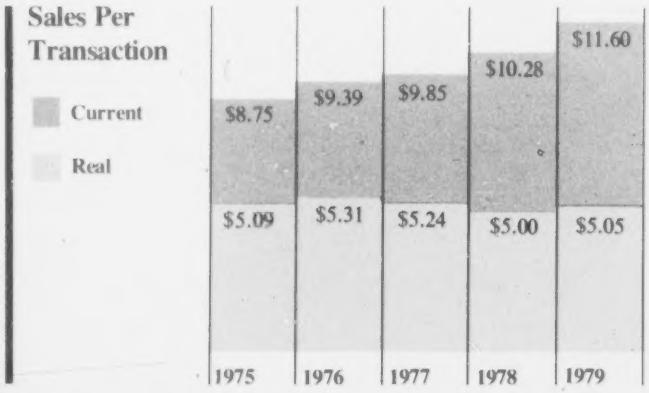
- *Sales per Labor Hour*

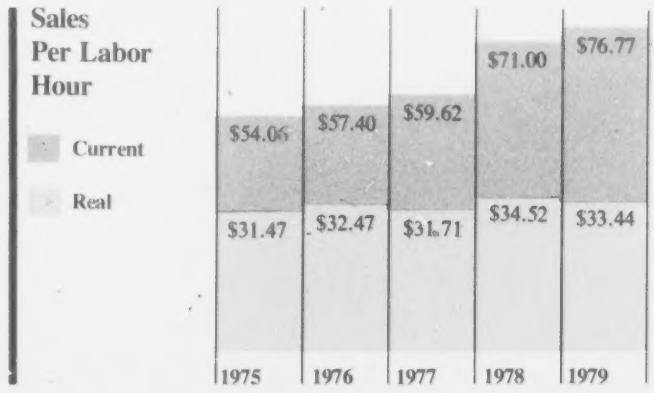
Current dollar sales per labor hour increased to $76.77 in 1979. But once again, inflation took its toll, resulting in real sales per labor hour of $33.44, a decline of three percent.

As they are for the nation, the number one and two issues facing this industry are inflation and productivity. As an aid to charting the financial course of our industry in this environment, FMI has just published the first national set of store-level operating statements for independent operators. In a series of five regional publications, typical income statements and balance sheets at the store level are provided. The results, particularly the comparison of typical operating statements for the most successful and least successful operators, will make a real contribution to the understanding of the changes going on in this industry.









Store Development

Stores Closed

The percentage of store closings last year was 4.8 percent, only a minor increase from 1978. In the past couple of years, most stores closed have been in operation for less than six years. In 1979, however, the majority of stores closed, almost 33 percent, had been in operation for 16 to 20 years. By far, the greatest majority of store closings occurred in the North Central states; the least amount of closings were in the West. The average selling area of stores closed last year was 11,440 square feet.

Poor profit levels and low sales volume are still major reasons for closing stores. However, for the first time in the history of this report, another primary reason for closing a store was that it was replaced by another store in the same area. This factor is likely a major indicator of store development activity.

Major Remodels

Major remodels, of $50,000 or more, were done on 6.4 percent of stores last year, a major upswing in activity from the 1978 level of 3.5 percent. After remodeling, the selling area of the average store increased 28 percent to over 19,000 square feet. Most remodels were accomplished on conventional stores, and although most of them remained as conventionals, a good number were also turned into super and warehouse stores. Remodels brought an increase of four percent in general merchandise space.

The average cost of structural change of all stores were $250,000. Super store remodels came in at the upper end with structural charge costs of $590,000.

After figuring in the cost of new equipment and fixtures, the total average cost for all remodels ran to $572,000, with super stores again at the top with total costs of $1 million.

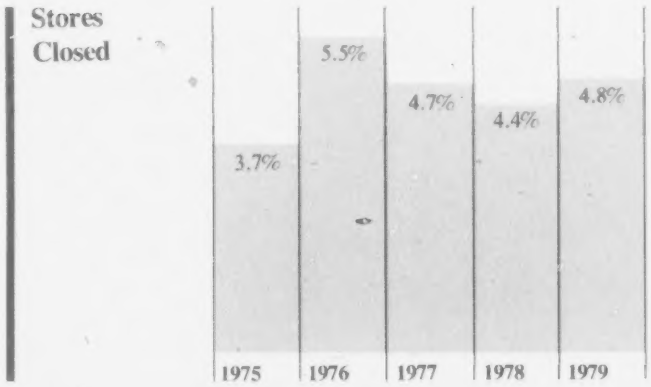
After remodeling, the weekly sales for the typical store were over $135,000. Combination stores' weekly sales after remodeling were the highest, at $206,032.

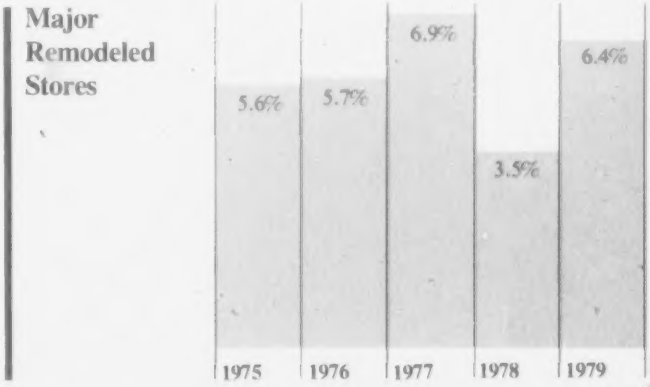
Acquisitions

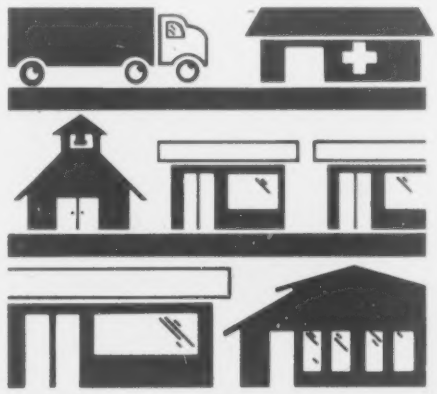
Store acquisitions stabilized in 1979 to almost three percent, at about the same level as in 1978. After the store was acquired, weekly sales for the typical store increased from $75,000 to over $91,000. The average capital invested in remodeling acquired stores was $62,000.

Openings

Store openings increased their pace of the last few years to just about five percent. The South was way ahead of the rest of the country in number of stores opened. While most of the stores opened were conventionals, a sizeable number of super stores were opened as well. Overall store selling area remained







relatively stable at 20,550 square feet.

In 1979, the cost of land used for the store and parking facilities averaged at $202,000, with combination stores involving the highest costs of $350,000. The average cost for new store equipment, fixtures and decorating, including installation, ran to $500,000 last year. Again, combinations were the most costly at $700,000. The typical building cost was $26.53 per square foot, while rent for the average new store totalled $116,400, or $3.13 per square foot. What these costs mean for the industry is that in 1979, the capital investment required to open a new store averaged $1,450,000. Again, combination stores required the greatest amount of capital, at over $2 million.

New Store Features

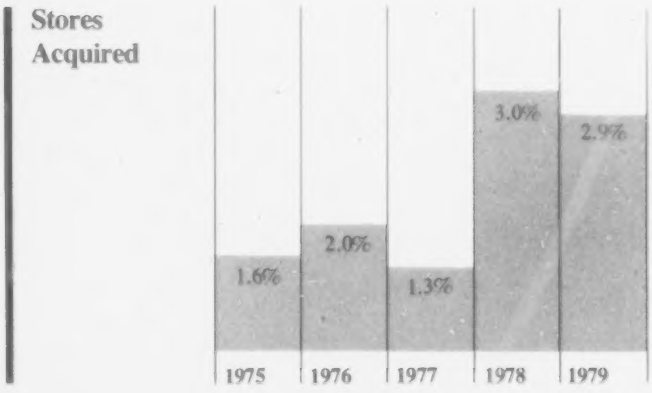
There are also several in-store trends in new store development. In specialty departments, there was a sizeable increase in the number of stores providing courtesy booths, from just under 40 percent in 1977 to just over 80 percent in 1979. Taking on an equally growing role is the percentage of stores including wine departments, over 70 percent. The only departments registering a decrease were floral and plant shops, down from 68 percent to 54 percent in new stores. General Merchandise sections continued to maintain their niche in new stores, averaging seven percent of selling area in all stores. Super and combination stores devoted 17 percent and 27 percent of selling area to general merchandise.

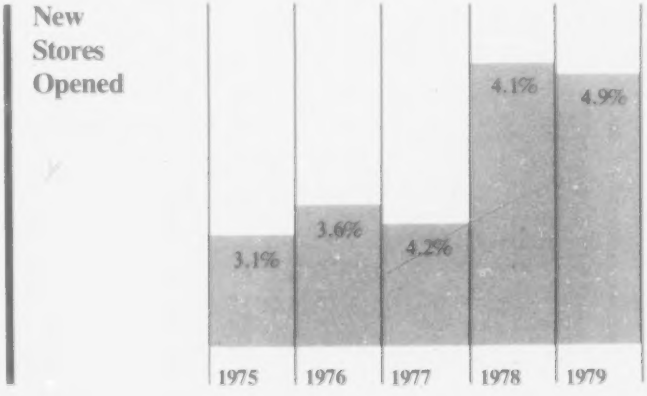
Produce

Our report adds a new section, devoted exclusively to the produce department in existing stores. In this department, the typical operator carried 126 fresh items in winter and 141 fresh items in the summer. In terms of display, 65 percent of the produce is displayed in bulk, the rest is pre-pack.

Most produce is weighed at the front end, while 39 percent of the stores have weighing facilities in the produce department. A substantial majority of stores, 69 percent, have price look-up at the front end.

In looking at the overall department, the typical retailer devotes eight percent of his selling area to produce, and produce adds up to about eight percent of sales. The typical store has an average number of three employees working in the produce department. Bringing this data together, sales per labor hour in the produce department rings up to $75.00.





Energy

In 1979, the food retailing industry spent over $2 billion on utilities alone. While we don't have a total figure for fuel used in distribution, we do know that between April of '79 and April of '80, the average price of diesel fuel paid for by our members has risen about 30 cents a gallon.

Although utility rates continue to escalate ferociously, this industry is developing a reputation for having made great strides in conservation. It is certainly no time for resignation to higher electricity charges, and the activity detailed below reveals anything but complacency.

This area in which this industry ought to be the proudest is in heat reclaim. The number of installations in new stores has risen from 59 percent in 1975, to 96 percent in 1979. And relatedly, 73 percent of new stores are installing heat reclamation systems to heat both the store and the store water. No other industry has pursued heat recovery so extensively or so rapidly.

Of other energy saving measures in new stores: 80 percent of new stores are installing double doors at the front entrance, 58 percent are building enclosed loading docks, and 41 percent are lowering ceiling heights.

Supermarket operators continue to experiment with electronic energy management controls. There has been a steady increase in usage to 26 percent, with most operators choosing systems controlled at the store. The fact that usage of these systems remains relatively low is probably due to continuous experimenting of the over 300 energy controlling products on the market today.

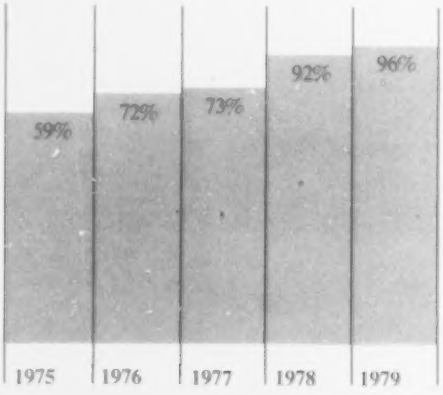
Lighting is also a key element in conservation. Considering the level of years ago, a sales area foot candle level of 99 for the typical new store does indeed indicate that shoppers can be drawn to stores even though the light level is less than several years ago. Although 73 percent of the operators said that their light level is about the same as their typical store, this means that lowering lighting levels has been going on for a number of years now.

Lighting efficiency continues to be a prime concern, as 72 percent of new stores use flourescent light and 26 percent are now using high intensity discharge bulbs. Only two percent of the stores are using the more inefficient incandescent lighting, and here it is mostly highlighting. Most lighting tends to be surface mount rather than recessed.

Much more temperature conscientious, the average R value for roof insulation is 13.7, while the R value for exterior sidewalls is 9.3, lower perhaps because of the equipment placed against the walls and, of course, because heat rises. The roof insulation level was greater for 38 percent of new stores.

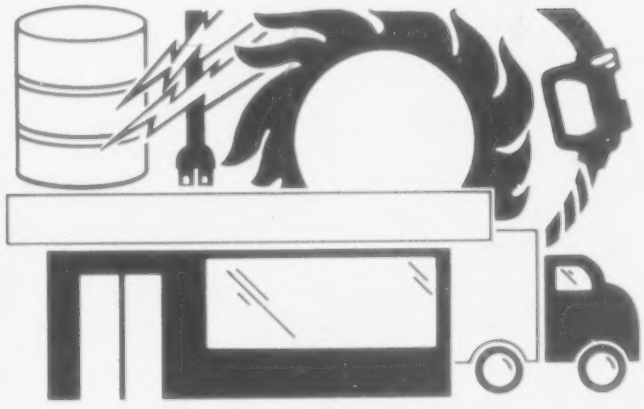
There is also a substantial amount of energy conserving activity in remodeling stores. During remodeling, over 60 percent changed to more efficient refrigeration cases, almost 54 percent altered the HVAC system to increase efficiency, just about 50 percent added energy controls, and almost 36 percent lowered the light levels. Quite apparently, one of the toughest areas to increase energy efficiency is in existing stores, and remodeling provides an excellent opportunity.

Heat Reclaim Installations



One of the areas of continuing controversy in energy is the frozen food department. While freezer cabinets use anywhere from 25 to 30 percent of a food store's energy use, the public is increasingly convenience oriented and interested in frozen foods. Therefore, retailers try to accommodate consumer interest and curtail energy use by experimenting with types of freezer cabinets and placement of these cabinets in the store.

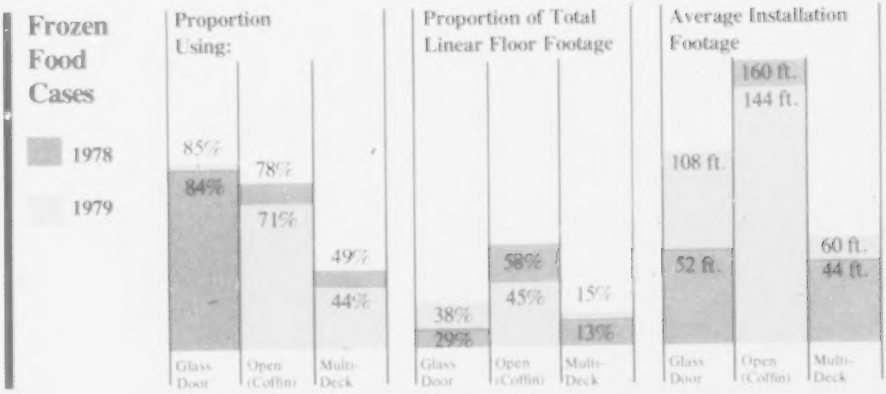
The average total linear floor footage of the frozen food department in new stores has remained about the same for the past two years—198 feet. In terms of types of freezer units installed, open or coffin cases were



reported used in only 70 percent of all new stores opened in 1979. The proportion of stores using multi-deck dropped from 49 percent to 44 percent.

Even more telling, however, is the proportion of total linear footage given to cases in new stores. Although the use of open coffin cases is high, they are representing a lesser proportion of footage, 45 percent. On the other hand, the proportion of total footage given glass doors has increased, from 29 to 38 percent.

Paralleling these figures, average installation footage of the open cases dropped from 160 feet to 144 feet. Glass door installation footage rose from 52 feet to 108 feet, indicating the interest in glass door cases. Although the proportion of stores using multi-decks declined, those using them have added installation footage, to 60 feet from 44 feet.



Supermarket Services

ECRs and Scanning

Of the electronic registers in operation, almost 57 percent are connected to an in-store computer. Just over 30 percent are equipped with front-end scanners. In looking at the entire checkout, 89 percent are upgradeable to scanning. Another 36 percent of the checkouts are equipped with electronic scales.

As was true in 1978, the use of scanning is hardly scant. Scanner installations continued to increase at an incredibly rapid rate. In 1974, just over 200. At the end of 1978, 562 installations. And as of March 1980, there were 1,780 scanners in operation. By now, the industry has probably passed the 2,000 mark. Of the vendors, NCR continues to lead the industry in installations, with IBM second and Datachecker third. Of those with scanning now in operation, most continue to use the point of sales data for work scheduling, coupon accounting, assessing results of promotions and ad specials, and shrink analysis.

Other Services

Among other supermarket services is acceptance of credit cards. Last year, 11 percent were accepting credit cards for general merchandise, and six percent were accepting them for grocery items. It will be interesting to note the results of credit controls on this trend. One other supermarket service monitored is the proportion of stores offering meals away from home. Here, 40 percent offer deli with carry out, by far the largest type of service.

Promotional Activity

How operators attract customers is also important. Among promotional techniques, there have been two reversals in the past year. Retailers seem to be making greater use of in-store coupons and of continuity programs, while use of games has declined precipitously. And then there is the steady-but-sure return of trading stamps. Trading stamps bottomed out in 1976, but appear to be making a comeback. And one last promotional technique asked about was the use of double coupons. Ten percent of the respondents indicated that they have offered double value for manufacturer's coupons at some time in 1979.

Scanning Installations

Promotional Techniques

	1976	1977	1978	1979
Continuity Programs	32%	71%	45%	60%
In-Store Coupons	40%	66%	48%	66%
Games	14%	24%	17%	3%
Trading Stamps	11%	12%	13%	15%
Double Value for Manufacturers' Coupons	*	*	*	10%

*Not asked.

Advertising Budget

	1976	1977	1978	1979
Newspaper	63%	65%	57%	62%
Mailer/Flyer	13%	16%	11%	16%
Radio	4%	6%	5%	6%
Television	8%	5%	13%	13%
In-Store Coupons	8%	3%	1%	2%
Other	4%	5%	13%	–
Billboards	*	*	*	1%

*Not asked.

As far as advertising budgets are concerned, advertising costs remained at about one percent of sales. In 1979, 62 percent of the food retailer's budget was spent on newspaper advertising. The use of television advertising leveled off at 13 percent last year.

Appendix

About the Study

This year's report is the result of FMI member participation in several industry surveys. The Industry Speaks survey, which provides the bulk of this research data, represents information from about 20 percent of the Institute's U.S. and Canadian members. These participating companies operate 6,851 supermarkets.

All averages shown in this report are median figures, except where noted. Medians provide a better industry average because the figures are not subject to distortion by unusual extremes. This is very important when a few companies differ very significantly from the marketing average.

In the past, when measuring real growth in retail sales and productivity, *Speaks* has used the CPI food-at-home index as a deflator. Although this index may accurately reflect the food portion of a retailer's business, it excludes the growing number of non-food items (such as paper, cleaning supplies, HBA) which are an important part of supermarket sales. Therefore, this report uses a deflator for real growth in retail sales and productivity by combining the CPI food-at-home index with the index for non-durables less food and apparel. The table below charts this deflator.

In this report, FMI defines a supermarket as a retail food store with annual sales of at least $1 million. This report is a summary of key findings of the survey. Some, however, may have the need for more detailed facts and figures. The supporting tables for this report are found in the companion report entitled *Detailed Tabulations from the Food Marketing Industry Speaks, 1980.*

Index For Deflating Annual Supermarket Sales

	CPI Food at Home	% Increase	Supermarket Deflator*	% Increase
1973	141.4	16.3%	137.4	13.7%
1974	162.4	14.9	158.2	15.1
1975	175.8	5.3	171.8	8.6
1976	180.0	2.4	176.8	2.9
1977	190.2	5.7	188.0	6.3
1978	210.2	10.5	205.7	9.4
1979	232.9	10.8	229.6	11.6

*Derived from CPI Food-At-Home and CPI Non-Durables Less Food and Apparel weighted by Food and Non-Food Supermarket Sales estimates from Supermarketing Magazine, *September 1978.*

Trends in Operating Results

	1974	1975	1976	1977	1978	1979
Gross Profit with Warehouse	20.9%	22.3%	22.2%	22.0%	22.6%	22.3%
Gross Profit Without Warehouse	19.0%	19.3%	20.0%	19.7%	21.0%	20.5%
Sales Per Labor Hour	$47.70	$54.06	$57.40	$59.62	$71.00	$76.77
Sales Per Square Foot	$ 5.09	$ 5.33	$ 5.50	$ 5.80	$ 6.17	$ 6.49
Sales Per Customer Transaction	$ 8.23	$ 8.75	$ 9.39	$ 9.85	$10.28	$11.60
Average Hourly Labor Cost*	$ 3.69	$ 4.25	$ 4.53	$ 4.91	$ 5.36	$ 5.92
Store Labor Expense	8.1%	8.1%	8.3%	8.4%	8.5%	8.3%
Fringe Benefit Expense	1.4%	1.4%	1.5%	1.7%	2.0%	1.8%
Grocery Department Shrink	0.6%	0.6%	0.6%	0.5%	0.5%	0.6%
Net Profit (before taxes)	1.8%	1.5%	1.3%	1.4%	1.7%	1.9%

**Excluding fringe benefits*

Merchandising Trends

	1974	1975	1976	1977	1978	1979
Supermarkets Giving Trading Stamps	17%	12%	10.5%	11.6%	13.0%	15%

Survey Sample for Food Marketing Industry Speaks

(Base) Company Headquarters Location:	Sample Companies (185)
Northeast	9.7%
Middle Atlantic	9.2%
East North Central	24.9%
South East	4.9%
West North Central	22.2%
West South Central	10.3%
Mountain	7.5%
Pacific	10.8%
Canada	.5%
	100.0%

(Base) Company Retail Sales (millions)	Sample Companies (166)
Under $10	33.8%
$10-$29.99	21.7%
$30-$99.99	18.7%
$100-$249.99	7.8%
$250-$499.99	9.0%
$500 and over	9.0%
	100%

(Base) Company Wholesale Sales (millions)	Sample Companies (41)
Under $30	14.6%
$30-$99.99	22.0%
$100-$249.99	24.4%
$250-$500.00	26.8%
Over $500	12.2%
	100.0%

THE FOOD MARKETING INDUSTRY SPEAKS

1980

Detailed Tabulations

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Detailed Tabulations

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Foreword

This publication is the companion report to "The Food Marketing Industry Speaks, 1980." It contains the detailed tabulations for the information summarized in "Speaks, 1980."

An annual survey of FMI members is the primary source of information for this report. Any data not taken from FMI's "Speaks" survey is indicated by a footnote.

Data are for 1979. Company sales data are reported on an annual basis; productivity data, sales per labor hour, square foot or transaction, are reported on a weekly basis.

Except where noted, all averages in these tables are median figures. A median represents the halfway or middle figure when all figures are listed in order from the smallest to the largest. Medians are only presented when five or more companies in a category answered the question.

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TABLE 1
Geographic Region of Wholesale Headquarters

	ALL COMPANIES	'79 WHOLESALE SALES--(MILLIONS OF DOLLARS) UNDER $32	$32-99	$100-249	$250-499	$500+	WHOLESALE AFFILIATION COOP-ERATIVE	VOLUN-TARY	UNAFFI-LIATED
TOTAL	45	6	9	12	11	5	16	21	13
NORTH EAST	8.7	16.7	11.1	12.2	-	-	-	-	30.7
MIDDLE ATLANTIC	15.2	16.7	11.1	22.2	18.2	-	12.4	14.3	7.7
EAST NORTH CENTRAL	21.7	33.3	33.4	20.0	18.2	-	32.0	19.0	23.1
WEST NORTH CENTRAL	8.7	-	-	20.0	9.1	-	12.0	14.7	-
SOUTH EAST	13.1	16.7	33.3	13.4	-	20.0	12.3	23.0	-
WEST SOUTH CENTRAL	13.0	-	11.1	10.0	18.2	20.0	-	19.0	15.4
MOUNTAIN	6.5	-	-	12.0	18.2	-	20.0	-	7.7
PACIFIC	10.9	16.6	-	-	18.1	40.0	20.0	4.8	15.4
CANADA	2.2	-	-	-	-	20.0	-	4.8	-

TABLE 2
Wholesale Affiliation

	ALL COMPANIES	'79 WHOLESALE SALES--(MILLIONS OF DOLLARS) UNDER $30	$30-99	$100-249	$250-499	$500+
TOTAL	44	6	9	9	11	9
COOPERATIVE	22.7	-	11.1	22.2	45.4	22.2
VOLUNTARY	47.7	33.3	55.6	55.6	36.4	66.6
UNAFFILIATED	29.6	66.7	33.3	22.2	18.2	-

TABLE 3
Average Percent Change in Wholesale Sales

	MEDIAN	MIDLIF	RANGE	N=
ALL COMPANIES	10.8	11.1	29.4	36
COMPANY WHOLESALE SALES (IN MILLIONS OF DOLLARS)				
UNDER 30	15.8	13.7	22.5	6
30 - 99.99	23.2	8.5	24.9	8
100 - 249.99	16.4	11.4	17.6	9
250 AND OVER	14.1	8.8	15.9	13
WHOLESALE AFFILIATION				
COOPERATIVE	15.2	10.2	19.8	9
VOLUNTARY	13.8	12.1	16.8	15
UNAFFILIATED	22.6	16.4	24.8	8

TABLE 4
Average Percent of Total Wholesale Sales Accounted for by Private Label Sales

	MEDIAN	MIDDLE	RANGE	N=
ALL COMPANIES	9.8	5.8	14.3	23
COMPANY WHOLESALE SALES (IN MILLIONS OF DOLLARS)				
UNDER 30	-	-	-	-
30 - 99.99	8.3	2.5	9.3	4
100 - 249.99	6.7	2.0	7.0	8
250 AND OVER	10.0	6.8	14.3	11
WHOLESALE AFFILIATION				
COOPERATIVE	9.0	6.6	15.6	7
VOLUNTARY	8.2	4.3	10.0	14
UNAFFILIATED	17.5	15.0	17.5	2

TABLE 5
Percentage of Annual Sales Volume Attributed to (Summary Table of Means)

		'79 WHOLESALE SALES--(MILLIONS OF DOLLARS)					WHOLESALE AFFILIATION		
	ALL COMPANIES	UNDER $30	$30-99	$100-249	$250-499	$500+	COOP-ERATIVE	VOLUN-TARY	UNAFFI-LIATED
FOOD CHAINS (11 OR MORE STORES)	22.7	52.6	23.0	24.2	18.4	27.3	18.1	23.2	57.6
INDEPENDENT FOOD STORES	58.3	17.4	49.6	52.7	64.4	57.1	63.4	58.3	7.5
CORPORATELY OWNED STORES	10.1	1.2	25.4	3.7	15.5	7.3	3.1	14.2	4.3
CONVENIENCE STORES	4.2	1.8	1.8	4.6	1.6	6.7	2.5	5.5	.3
RESTAURANTS	.6	5.7	-	3.3	.5	-	.1	.3	4.4
HOSPITALS	.5	1.8	.2	.1	.2	.7	.1	.7	.1
SCHOOLS	.1	3.2	-	.2	.2	-	.2	.1	.1
OTHER	3.4	14.6	-	3.8	7.8	.8	.7	.0	25.9

TABLE 6
Average Sales Per Retail Store Served
(in Millions of Dollars)

	MEDIAN	MIDDLE RANGE		N=
ALL COMPANIES	1.75	1.25	2.45	38
COMPANY WHOLESALE SALES (IN MILLIONS OF DOLLARS)				
UNDER 3M	1.25	1.14	1.35	7
3M - 99.9M	1.74	.89	2.71	8
100 - 249.99	1.75	1.23	1.78	6
250 AND OVER	2.19	1.43	2.14	16
WHOLESALE AFFILIATION				
COOPERATIVE	2.21	1.17	2.52	9
VOLUNTARY	1.53	1.14	2.44	19
UNAFFILIATED	1.79	.33	1.81	8

TABLE 7
Services Provided to Membership

	ALL COMPANIES	'79 WHOLESALE SALES--(BILLIONS OF DOLLARS) UNDER $3B	$3B-5B	$100-249	$250-499	$500+	WHOLESALE AFFILIATION COOP-ERATIVE	VOLUN-TARY	UNAFFI-LIATED
TOTAL	39	4	5	9	10	5	10	21	7
ADVERTISING PROGRAM	84.6	50.0	77.8	100.0	80.0	100.0	90.0	90.5	57.1
REAL ESTATE & STORE ENGINEERING	84.6	50.0	100.0	88.9	90.0	100.0	90.0	95.2	57.1
HANDLE PRIVATE LABEL	84.6	75.0	88.9	100.0	70.0	80.0	80.0	90.5	57.1
MEMBER PAYROLL	74.4	25.0	66.7	100.0	70.0	60.0	60.0	81.0	28.6
INTERIOR DECOR & DESIGN SERVICE	71.8	25.0	44.4	88.9	80.0	100.0	80.0	85.7	14.3
PRODUCT MOVEMENT DATA	69.2	25.0	55.6	88.9	70.0	80.0	70.0	81.0	28.6
INDIVIDUAL RETAIL PRICING PROGRAM	64.1	25.0	44.4	88.9	60.0	80.0	80.0	71.4	14.3
GROSS MARGIN REPORT BY ITEM	64.1	-	66.7	66.7	80.0	80.0	100.0	57.1	42.9
RETAIL ACCOUNTING SERVICE	61.5	25.0	22.2	88.9	70.0	60.0	50.0	66.7	14.3
DISCOUNT PROGRAMS	61.5	25.0	44.4	77.8	60.0	60.0	60.0	66.7	42.9
SPACE ALLOCATION	56.4	50.0	11.1	77.8	60.0	60.0	60.0	57.1	28.6
SCANNING SUPPORT	43.6	25.0	22.2	33.3	50.0	60.0	70.0	33.3	42.9
DSD SYSTEM	41.0	25.0	22.2	33.3	50.0	60.0	60.0	33.3	42.9

TABLE 8
Products That Can Be Ordered From The Warehouse

	ALL COMPANIES	'79 WHOLESALE SALES--(MILLIONS OF DOLLARS) UNDER $3M	$3M-9M	$10M-24M	$25M-49M	$50M+	WHOLESALE AFFILIATION COOP-ERATIVE	VOLUN-TARY	UNAFFI-LIATED
TOTAL COMPANIES	25	-	4	5	6	5	8	16	2
DRY GROCERIES	100.0	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0
FROZEN FOODS	100.0	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0
HEALTH AND BEAUTY AIDS	96.0	-	100.0	87.5	100.0	100.0	100.0	93.8	100.0
DAIRY	96.0	-	100.0	100.0	100.0	80.0	87.5	100.0	100.0
GENERAL MERCHANDISE	84.0	-	75.0	75.0	87.5	100.0	87.5	80.0	100.0
MEAT	84.0	-	75.0	87.5	87.5	60.0	75.0	93.8	50.0
SOFT DRINKS	80.0	-	75.0	100.0	75.0	60.0	62.5	93.8	50.0
PRODUCE	72.0	-	25.0	75.0	87.5	80.0	75.0	73.3	50.0
DELICATESSEN	68.0	-	50.0	62.5	75.0	80.0	62.5	66.7	100.0
BAKERY	44.0	-	25.0	50.0	50.0	40.0	50.0	40.0	50.0
ICE CREAM	40.0	-	25.0	25.0	50.0	60.0	50.0	33.3	50.0
BEER	8.0	-	25.0	-	12.5	-	12.5	6.7	-
WINE	-	-	-	-	-	-	-	-	-
OTHER	24.0	-	25.0	37.5	12.5	20.0	25.0	20.0	-

TABLE 9
General Merchandise That Can Be Ordered From The Warehouse

	ALL COMPANIES	'79 WHOLESALE SALES--(MILLIONS OF DOLLARS)					WHOLESALE AFFILIATION		
		UNDER $30	$30-99	$100-249	$250-499	$500+	COOP-ERATIVE	VOLUN-TARY	UNAFFI-LIATED
TOTAL COMPANIES	24	-	4	7	6	5	8	14	2
HOSIERY	100.0	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PHOTO SUPPLIES	91.7	-	100.0	100.0	83.3	80.0	87.5	92.9	100.0
SCHOOL SUPPLIES	91.7	-	100.0	100.0	83.3	80.0	100.0	85.7	100.0
BABY ACCESSORIES	79.2	-	100.0	71.4	75.0	80.0	75.0	78.6	100.0
AUTOMOTIVE SUPPLIES	79.2	-	50.0	85.7	83.3	80.0	100.0	71.4	50.0
PET SUPPLIES	75.0	-	75.0	85.7	50.0	100.0	75.0	78.6	50.0
HOUSEWARES/GLASSWARE	66.7	-	75.0	42.9	75.0	60.0	75.0	57.1	100.0
HARDWARE (TOOLS, NAILS, ETC.)	41.7	-	50.0	28.6	33.3	60.0	62.5	35.7	-
WEARING APPAREL	33.3	-	25.0	14.3	50.0	40.0	50.0	21.4	50.0
APPLIANCES	29.2	-	25.0	-	50.0	40.0	37.5	21.4	50.0
GREETING CARDS	16.7	-	-	-	16.7	60.0	12.5	21.4	-
BOOKS/MAGAZINES	8.3	-	25.0	14.3	-	-	12.5	7.1	-

TABLE 10
Distribution Centers

	ALL COMPANIES	GEOGRAPHIC REGION OF HEADQUARTERS							
		NORTH EAST	MIDDLE ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH EAST	WEST SOUTH CENTRAL	MOUN-TAIN	PACIFIC
TOTAL	73	5	10	19	2	17	7	6	6
AVERAGE DISTANCE BETWEEN DISTRIBUTION CENTERS AND STORES SERVED	61.5	46.0	60.8	59.4	100.0	53.7	90.7	52.8	69.5
RETAILER (AVG. MILES)	75.7	-	37.3	84.5	125.0	68.8	75.0	88.5	93.3
WHOLESALER (AVG. MILES)	55.4	46.0	70.9	47.9	75.0	49.1	97.0	35.0	45.7

TABLE 11
Geographic Region of Retailers Headquarters

	ALL COMPANIES	RETAIL AFFIL.		1979 RETAIL SALES (IN MILLIONS OF DOLLARS)					
		CHAIN	INDEPENDENT	UNDER $10	$10-24	$25-99	$100-249	$250-499	$500+
TOTAL	100	51	117	57	35	31	10	10	10
NORTH EAST	6.7	5.8	12.8	12.5	17.2	12.9	-	6.7	6.7
MIDDLE ATLANTIC	9.2	15.7	5.1	3.5	2.9	16.1	22.1	13.3	6.7
EAST NORTH CENTRAL	24.9	23.5	25.7	19.3	31.4	29.0	15.4	26.7	37.3
WEST NORTH CENTRAL	4.9	3.9	5.1	7.0	5.7	-	7.7	6.7	-
SOUTH EAST	22.9	23.5	23.9	29.8	17.1	19.4	30.7	17.3	26.2
WEST SOUTH CENTRAL	10.3	9.8	10.3	10.5	14.3	6.5	7.7	10.3	6.7
MOUNTAIN	7.5	7.9	6.4	5.3	5.7	6.4	7.7	6.7	10.3
PACIFIC	10.6	7.8	11.1	14.1	5.7	9.7	7.7	6.7	10.3
CANADA	.5	2.6	-	-	-	-	-	6.3	-

TABLE 12
Average Percentage of Operations Supplied by Outside Wholesaler

	MEDIAN	MIDDLE RANGE		N=
ALL COMPANIES	100	97	100	117
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)				
UNDER 10	100	92	100	49
10 - 29	100	97	100	34
30 - 99	92	85	100	20
100 - 249	92	91	95	9
250 - 499	92	89	95	1
500 AND OVER	10	5	10	4
GEOGRAPHIC REGION OF HEADQUARTERS				
NORTHEAST	100	75	100	10
MIDDLE ATLANTIC	100	77	100	4
EAST NORTH CENTRAL	100	71	100	25
WEST NORTH CENTRAL	100	100	100	5
SOUTHEAST	100	53	100	35
WEST SOUTH CENTRAL	94	77	100	11
MOUNTAIN	75	53	100	14
PACIFIC	100	97	100	13
RETAIL AFFILIATION				
CHAIN	95	10	95	13
INDEPENDENT	100	30	100	101

TABLE 13A
Products That Can Be Ordered From The Warehouse

	ALL COMPANIES	GEOGRAPHIC REGION OF HEADQUARTERS							
		NORTH EAST	MIDDLE ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH EAST	WEST SOUTH CENTRAL	MOUNTAIN	PACIFIC
TOTAL COMPANIES	63	6	8	10	2	15	5	4	4
DRY GROCERIES	96.7	83.3	87.5	93.3	150.0	100.0	100.0	100.0	100.0
PRODUCE	90.7	83.7	100.0	100.3	150.0	93.3	100.0	75.0	100.0
FROZEN FOODS	81.7	50.0	75.0	93.3	150.0	60.0	80.0	75.0	75.0
MEAT	76.7	83.3	75.0	87.5	100.0	86.7	60.0	75.0	75.0
HEALTH AND BEAUTY AIDS	75.0	33.3	50.0	81.3	100.0	80.7	100.0	75.0	100.0
GENERAL MERCHANDISE	75.0	33.3	62.5	87.5	100.0	60.0	100.0	75.0	125.0
DAIRY	75.0	66.7	75.0	87.5	100.0	86.7	80.0	-	50.0
DELICATESSEN	66.7	50.0	62.5	75.0	100.0	46.7	100.0	75.0	75.0
SOFT DRINKS	61.7	50.0	75.0	56.3	100.0	60.0	40.0	75.0	75.0
BAKERY	41.7	16.7	62.5	37.5	50.0	40.0	40.0	50.0	50.0
ICE CREAM	25.0	33.3	-	25.0	50.0	20.0	20.0	25.0	75.0
WINE	16.3	-	-	6.3	-	13.3	-	100.0	100.0
BEER	15.0	-	-	6.3	50.0	6.7	-	75.0	75.0
OTHER	13.3	16.7	-	18.8	-	6.7	20.0	-	50.0

TABLE 13B
Products That Can Be Ordered From The Warehouse

		RETAIL AFFIL.		1979 RETAIL SALES (IN MILLIONS OF DOLLARS)					
	ALL COMPANIES	CHAIN	INDE-PENDENT	UNDER $1M	$1M-2M	$2M-5M	$5M-10M	$10M-25M	$25M+
TOTAL COMPANIES	62	44	15	4	3	15	8	13	15
DRY GROCERIES	96.7	93.2	126.7	150.0	66.7	93.3	88.8	92.3	120.0
PRODUCE	96.7	93.2	106.7	175.0	66.7	80.0	100.0	92.3	106.6
FROZEN FOODS	81.7	77.3	93.3	150.0	33.3	60.0	77.8	70.0	93.3
MEAT	76.7	72.7	80.0	125.0	100.0	66.6	55.6	76.9	80.0
HEALTH AND BEAUTY AIDS	75.0	81.8	60.0	100.0	66.7	46.7	55.6	92.3	100.0
GENERAL MERCHANDISE	75.0	77.3	73.3	100.0	66.7	53.3	44.4	100.0	93.3
DAIRY	75.0	68.2	93.3	150.0	66.7	66.7	66.7	76.9	80.0
DELICATESSEN	66.7	63.6	73.3	150.0	33.3	46.7	33.3	61.5	93.3
SOFT DRINKS	61.7	61.4	60.0	75.0	66.7	46.7	44.4	69.2	73.3
BAKERY	41.7	47.7	20.0	50.0	33.3	26.7	11.1	46.2	73.3
ICE CREAM	25.0	22.7	33.3	75.0	33.3	6.7	11.1	38.5	20.0
WINE	18.3	22.5	13.3	-	-	13.3	22.2	15.4	33.3
BEER	15.0	20.5	-	-	-	-	22.2	23.1	26.7
OTHER	13.3	13.6	13.3	25.0	-	6.7	-	23.1	20.0

TABLE 14
Average Percent of Total Retail Sales Accounted for by Private Label Sales

	MEDIAN	MIDDLE RANGE		N=
ALL COMPANIES	8.5	4.0	15.0	112
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)				
UNDER 10	9.3	5.0	12.0	33
10 - 29	6.4	3.0	10.0	20
30 - 99	9.0	4.2	14.6	25
100 - 249	5.0	3.0	9.0	7
250 - 499	12.3	1.2	17.2	12
500 AND OVER	10.8	7.0	20.0	14
GEOGRAPHIC REGION OF HEADQUARTERS				
NORTHEAST	6.0	3.5	11.8	14
MIDDLE ATLANTIC	10.7	5.0	18.6	11
EAST NORTH CENTRAL	10.0	4.0	15.8	28
WEST NORTH CENTRAL	10.0	2.0	13.0	3
SOUTHEAST	6.0	2.8	10.2	27
WEST SOUTH CENTRAL	12.5	4.0	19.0	10
MOUNTAIN	8.5	2.0	11.0	10
PACIFIC	8.0	4.3	9.8	9
RETAIL AFFILIATION				
CHAIN	10.7	5.0	17.8	41
INDEPENDENT	7.0	4.0	10.0	69

TABLE 15
Number of Supermarkets Company Operates

	ALL COMPANIES	GEOGRAPHIC REGION OF HEADQUARTERS							
		NORTH EAST	MIDDLE ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH EAST	WEST SOUTH CENTRAL	MOUN-TAIN	PACIFIC
TOTAL	168	18	14	42	8	40	17	11	17
1	26.8	27.8	14.3	23.8	25.0	32.5	23.5	27.3	41.2
2-10	42.8	55.6	28.6	47.6	50.0	40.0	47.1	36.3	35.3
11-49	14.3	11.1	35.7	9.5	-	17.5	5.9	18.2	11.8
50 AND OVER	16.1	5.5	21.4	19.1	25.0	10.0	23.5	18.2	11.7

TABLE 16A
Percentage of Operation Supplied by

	ALL COMPANIES	GEOGRAPHIC REGION OF HEADQUARTERS							
		NORTH EAST	MIDDLE ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH EAST	WEST SOUTH CENTRAL	MOUN-TAIN	PACIFIC
VOLUNTARY	22.8	35.6	15.4	29.1	50.2	14.3	12.5	21.2	15.1
COOPERATIVE	22.5	11.4	18.8	9.4	8.8	29.9	14.1	49.5	32.4
UNAFFILIATED WAREHOUSE	15.2	31.6	23.1	20.0	3.8	7.1	22.7	7.7	-
OWN WAREHOUSE	31.2	18.2	38.5	36.4	32.3	38.8	31.3	18.8	13.2

TABLE 16B
Percentage of Operation Supplied by

	ALL COMPANIES	RETAIL AFFIL.		1979 RETAIL SALES (IN MILLIONS OF DOLLARS)					
		CHAIN	INDE-PENDENT	UNDER $10	$10-29	$30-99	$100-249	$250-499	$500+
VOLUNTARY	22.8	3.5	31.5	32.3	40.3	10.5	12.9	-	.4
COOPERATIVE	22.5	7.2	29.5	35.2	20.1	25.5	10.2	4.7	1.3
UNAFFILIATED WAREHOUSE	15.2	8.7	19.1	14.2	19.9	28.7	7.7	-	4.3
OWN WAREHOUSE	31.2	77.1	12.3	8.7	9.5	26.3	57.4	92.8	93.1

TABLE 17
Retail Sales in 1979

		GEOGRAPHIC REGION OF HEADQUARTERS							
	ALL COMPANIES	NORTH EAST	MIDDLE ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH EAST	WEST SOUTH CENTRAL	MOUN-TAIN	PACIFIC
TOTAL	166	18	14	42	8	34	17	11	19
UNDER 10 MILLION	33.8	33.3	14.3	26.2	50.0	42.1	35.3	27.2	47.4
10 - 29 MILLION	21.7	33.3	7.2	26.2	25.0	18.4	29.4	18.2	11.6
30 - 99 MILLION	18.7	22.2	35.7	21.4	-	15.8	11.8	18.2	17.6
100 - 249 MILLION	7.8	-	21.4	4.8	12.5	10.5	5.9	9.1	5.9
250 - 499 MILLION	9.0	5.6	14.3	9.5	12.5	5.3	11.7	9.1	5.9
500 MILLION AND OVER	9.0	5.6	7.1	11.9	-	7.9	5.9	18.2	11.8

TABLE 18A
Average Percent Change in Retail Sales
1978 vs. 1979

	MEDIAN	MIDDLE RANGE		N=
ALL COMPANIES	15.0	9.5	23.7	144
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)				
UNDER 10	14.7	8.2	19.6	43
10 - 29	12.5	6.0	24.4	33
30 - 99	13.7	9.4	21.7	37
100 - 249	13.4	10.5	18.1	13
250 - 499	15.3	11.1	21.7	14
500 AND OVER	17.8	4.4	18.6	12

TABLE 18B
Average Percent Change in Retail Sales
1978 vs. 1979

	MEDIAN	MIDDLE RANGE		N=
ALL COMPANIES	15.0	9.2	22.3	148
REGION - CHAIN STORES				
NORTHEAST	13.7	4.2	17.5	3
MIDDLE ATLANTIC	15.6	10.7	18.4	7
EAST NORTH CENTRAL	14.3	7.8	17.3	10
WEST NORTH CENTRAL	10.1	8.7	14.1	7
SOUTHEAST	15.6	13.6	18.7	12
WEST SOUTH CENTRAL	23.1	17.4	23.1	4
MOUNTAIN	23.8	15.2	23.8	4
PACIFIC	25.5	4.4	25.5	4
REGION - INDEPENDENT STORES				
NORTHEAST	9.4	5.8	20.0	12
MIDDLE ATLANTIC	15.3	7.7	15.3	4
EAST NORTH CENTRAL	12.5	7.5	15.6	27
WEST NORTH CENTRAL	11.8	2.6	13.4	6
SOUTHEAST	14.8	9.5	20.1	22
WEST SOUTH CENTRAL	23.1	7.5	28.9	12
MOUNTAIN	15.4	9.5	21.5	7
PACIFIC	12.5	4.7	17.4	11

TABLE 19A
Average Percent Change in Retail Sales
Identical Stores 1978 vs. 1979

	MEDIAN	MIDDLE RANGE		N=
ALL COMPANIES	11.7	7.4	17.2	128
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)				
UNDER 10	14.3	8.5	18.1	31
10 - 29	9.4	4.3	16.3	29
30 - 99	11.5	8.1	17.2	27
100 - 249	13.7	5.9	14.9	16
250 - 499	11.5	8.2	17.1	13
500 AND OVER	12.5	5.2	15.2	12

TABLE 19B
Average Percent Change in Retail Sales
Identical Stores 1978 vs. 1979

	MEDIAN	MIDDLE RANGE		N=
ALL COMPANIES	11.7	7.4	17.2	128
REGION - CHAIN STORES				
NORTHEAST	13.7	5.4	15.2	3
MIDDLE ATLANTIC	11.6	7.6	15.4	6
EAST NORTH CENTRAL	11.9	6.7	14.0	12
WEST NORTH CENTRAL	.9	.9	.9	1
SOUTHEAST	9.7	5.9	15.4	11
WEST SOUTH CENTRAL	17.2	14.7	17.9	3
MOUNTAIN	5.4	3.6	11.3	3
PACIFIC	14.9	5.0	15.7	3
REGION - INDEPENDENT STORES				
NORTHEAST	8.5	6.9	16.7	12
MIDDLE ATLANTIC	8.4	3.4	13.4	5
EAST NORTH CENTRAL	11.5	4.9	15.1	20
WEST NORTH CENTRAL	7.4	1.9	9.1	4
SOUTHEAST	12.5	6.4	15.4	17
WEST SOUTH CENTRAL	15.9	5.9	22.5	13
MOUNTAIN	20.9	19.9	24.9	5
PACIFIC	12.3	3.3	12.7	5

TABLE 20
Average Weekly Sales per Supermarket in 1979

	MEDIAN	MIDDLE RANGE		N=
ALL STORES	110000	81880	131568	6835
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)				
UNDER 10	60000	39230	79323	78
10 - 29	90000	63736	103831	143
30 - 99	104000	78266	121400	265
100 - 249	85000	70647	99141	539
250 - 499	110000	91081	116250	818
500 AND OVER	110000	82000	110000	4992
GEOGRAPHIC REGION OF HEADQUARTERS				
NORTHEAST	156540	122912	156540	249
MIDDLE ATLANTIC	82000	81400	82000	1880
EAST NORTH CENTRAL	132262	109500	132262	2322
WEST NORTH CENTRAL	100000	36730	100000	164
SOUTHEAST	97300	77516	163320	869
WEST SOUTH CENTRAL	104964	70000	118750	384
MOUNTAIN	135000	98077	135000	570
PACIFIC	171526	119000	171526	352
RETAIL AFFILIATION				
CHAIN	110000	81580	131748	6473
INDEPENDENT	100000	67817	120500	362

TABLE 21
Trends in Sales Distribution

	PERCENT OF STORE SALES IN:		
	Grocery	Meat	Produce
1973	66.2%	24.7%	7.0%
1974	67.1	22.9	6.9
1975	68.3	21.3	6.8
1976	67.9	21.0	7.0
1977	68.0	20.2	7.0
1978	66.9	20.6	7.1
1979	70.5	22.1	6.9

Source: Operations Review 1973-1979

TABLE 22A
Inventory Shortage as a Percent of 1979 Sales

	MEDIAN	MIDDLE RANGE		N=
ALL COMPANIES	.6	.5	.8	98
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)				
UNDER 10	1.0	.6	1.1	26
10 - 29	.8	.8	1.0	21
30 - 99	.8	.5	1.7	16
100 - 249	.8	.4	1.0	12
250 - 499	.5	.3	.7	9
500 AND OVER	.7	.4	.8	13

TABLE 22B
Inventory Shortage as a Percent of 1979 Sales

	MEDIAN	MIDDLE RANGE		N=
ALL COMPANIES	.6	.5	.8	98
REGION - CHAIN STORES				
NORTHEAST	.2	.2	.4	3
MIDDLE ATLANTIC	.8	.8	.8	7
EAST NORTH CENTRAL	.5	.5	.5	10
WEST NORTH CENTRAL	.5	.5	.5	1
SOUTHEAST	.1	.1	.4	7
WEST SOUTH CENTRAL	.8	.8	.8	5
MOUNTAIN	1.0	1.0	1.0	4
PACIFIC	.4	.4	.6	3
REGION - INDEPENDENT STORES				
NORTHEAST	.5	.4	1.8	7
MIDDLE ATLANTIC	1.5	.4	1.5	4
EAST NORTH CENTRAL	.5	.5	1.0	13
WEST NORTH CENTRAL	.8	.7	.8	2
SOUTHEAST	.6	.2	1.0	14
WEST SOUTH CENTRAL	.8	.8	2.0	6
MOUNTAIN	1.0	.9	1.0	4
PACIFIC	1.3	.6	1.4	9

TABLE 23A
Average Weekly Sales per Square Foot of Selling Area

	MEDIAN	MIDDLE RANGE		N=
ALL STORES	6.49	5.11	7.28	6335
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)				
UNDER 10	5.78	4.00	7.69	72
10 - 29	6.08	5.16	8.06	117
30 - 99	7.98	5.71	9.47	254
100 - 249	5.87	4.92	7.98	495
250 - 499	6.25	5.49	7.15	766
500 AND OVER	6.57	4.99	6.78	4631

TABLE 23B
Average Weekly Sales per Square Foot of Selling Area

	MEDIAN	MIDDLE	RANGE	N=
ALL STORES	6.49	5.11	7.28	6335
REGION - CHAIN STORES				
NORTHEAST	24.92	7.31	24.92	201
MIDDLE ATLANTIC	5.13	5.13	5.13	1857
EAST NORTH CENTRAL	7.28	6.82	7.28	2202
WEST NORTH CENTRAL	5.81	4.95	5.81	151
SOUTHEAST	5.80	5.36	7.75	521
WEST SOUTH CENTRAL	5.53	4.40	5.53	348
MOUNTAIN	4.43	4.43	4.43	409
PACIFIC	8.81	6.83	8.81	282
REGION - INDEPENDENT STORES				
NORTHEAST	7.63	6.18	8.12	38
MIDDLE ATLANTIC	9.34	5.75	9.34	23
EAST NORTH CENTRAL	8.96	6.93	10.71	106
WEST NORTH CENTRAL	8.07	6.35	9.41	13
SOUTHEAST	5.82	3.49	7.58	70
WEST SOUTH CENTRAL	6.08	4.72	8.49	33
MOUNTAIN	8.75	5.40	8.75	11
PACIFIC	6.55	6.53	6.84	25

TABLE 24A
Average Sales per Customer Transaction

	MEDIAN	MIDDLE RANGE		N=
ALL STORES	11.60	10.54	12.22	6717
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)				
UNDER 10	10.19	8.45	12.41	69
10 - 29	11.05	9.50	12.50	128
30 - 99	12.30	11.23	14.37	250
100 - 249	10.78	9.14	11.46	495
250 - 499	12.82	11.99	13.40	783
500 AND OVER	11.20	10.25	11.95	4992

TABLE 24B
Average Sales per Customer Transaction

	MEDIAN	MIDDLE RANGE		N=
ALL STORES	11.60	10.54	12.22	6717
REGION - CHAIN STORES				
NORTHEAST	14.18	12.86	14.18	201
MIDDLE ATLANTIC	10.60	10.26	10.60	1857
EAST NORTH CENTRAL	12.06	11.19	12.06	2202
WEST NORTH CENTRAL	12.79	9.25	12.79	154
SOUTHEAST	13.80	12.94	13.82	755
WEST SOUTH CENTRAL	10.25	8.25	11.75	348
MOUNTAIN	10.80	9.98	10.80	553
PACIFIC	13.00	10.32	13.00	282
REGION - INDEPENDENT STORES				
NORTHEAST	12.35	11.03	12.75	38
MIDDLE ATLANTIC	13.92	11.05	15.96	18
EAST NORTH CENTRAL	11.19	10.00	14.50	112
WEST NORTH CENTRAL	11.18	10.49	12.97	13
SOUTHEAST	11.40	8.63	13.58	67
WEST SOUTH CENTRAL	12.00	10.39	12.28	31
MOUNTAIN	15.75	9.06	18.98	11
PACIFIC	9.90	8.03	11.37	33

TABLE 25
Average Weekly Sales per Checkout

	MEDIAN	MIDDLE RANGE		N=
ALL STORES	14500	[illegible]	18886	6121
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)				
UNDER 10	13467	8516	16000	76
10 - 29	14139	8626	16000	128
30 - 99	15500	13193	20500	254
100 - 249	14497	12098	14500	472
250 - 499	14832	12537	15115	699
500 AND OVER	14000	11600	17631	4492
GEOGRAPHIC REGION OF HEADQUARTERS				
NORTHEAST	15347	15104	15490	237
MIDDLE ATLANTIC	13500	13437	13500	1880
EAST NORTH CENTRAL	18895	18832	18895	1982
WEST NORTH CENTRAL	13500	12617	13500	80
SOUTHEAST	13600	10498	15038	639
WEST SOUTH CENTRAL	11600	10655	11657	381
MOUNTAIN	13500	11050	13900	561
PACIFIC	21813	19231	21813	316
RETAIL AFFILIATION				
CHAIN	14497	13500	18010	5787
INDEPENDENT	15944	12765	18992	334

TABLE 26A
Average Sales per Labor Hour for Store Employees

	MEDIAN	MIDDLE	RANGE	N=
ALL STORES	76.77	70.00	83.40	6337
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)				
UNDER 10	69.00	54.59	78.32	51
10 - 29	62.02	56.80	70.11	116
30 - 99	70.72	62.76	74.99	242
100 - 249	68.00	59.32	73.29	432
250 - 499	73.83	67.80	79.61	738
500 AND OVER	77.57	71.33	82.25	4758

TABLE 26B
Average Sales per Labor Hour for Store Employees

	MEDIAN	MIDDLE RANGE		N=
ALL STORES	76.77	70.00	83.40	6337
REGION - CHAIN STORES				
NORTHEAST	80.99	74.99	80.99	201
MIDDLE ATLANTIC	83.50	82.78	83.50	1794
EAST NORTH CENTRAL	72.65	69.25	72.66	2174
WEST NORTH CENTRAL	73.83	67.00	73.83	151
SOUTHEAST	68.00	57.68	69.45	521
WEST SOUTH CENTRAL	66.21	60.00	66.21	348
MOUNTAIN	77.57	70.95	77.57	536
PACIFIC	80.48	69.74	84.01	282
REGION - INDEPENDENT STORES				
NORTHEAST	70.00	64.73	70.00	35
MIDDLE ATLANTIC	70.00	60.54	70.03	15
EAST NORTH CENTPAL	74.32	66.18	75.54	101
WEST NORTH CENTRAL	78.31	64.75	78.31	9
SOUTHEAST	57.15	54.59	63.41	63
WEST SOUTH CENTRAL	60.00	54.92	70.00	32
MOUNTAIN	56.80	56.80	56.80	4
PACIFIC	92.10	83.70	92.10	26

TABLE 27
Sales per Labor Hour and Hourly Wage Rates

(Current & Historical)

	General Dept.		Grocery		Meat		Produce	
	Sales/ Labor Hr.	Avg. Hrly. Wage Rate	Sales/ Labor Hr.	Avg. Hrly. Wage Rate	Sales/ Labor Hr.	Avg. Hrly. Wage Rate	Sales/ Labor Hr.	Avg. Hrly. Wage Rate
1973	$103.75	$2.23	$113.04	$3.42	$59.01	$4.23	$40.51	$3.69
1974	108.74	3.44	103.87	3.70	63.29	4.63	45.71	4.03
1975	125.17	3.95	131.35	4.42	70.62	5.45	49.85	4.58
1976	124.90	4.23	147.68	4.20	69.93	5.53	53.59	4.54
1977	145.61	4.41	151.91	5.06	77.47	6.32	57.64	5.22
1978	153.51	5.03	163.17	5.48	86.58	6.91	62.97	6.00
1979	173.92	5.19	151.36	6.26	89.93	7.93	67.80	6.75

Source: Operations Review 1973-1979

TABLE 28A
Average Bagger Assistance Rate*

	MEDIAN	MIDDLE RANGE		N=
ALL STORES	25	15	40	5587
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)				
UNDER 10	40	15	58	25
10 - 29	62	42	79	63
30 - 99	33	22	56	117
100 - 249	30	28	45	297
250 - 499	50	36	55	575
500 AND OVER	25	15	34	4510

*Medians are expressed in terms of percentage.

TABLE 28B
Average Bagger Assistance Rate*

	MEDIAN	MIDDLE RANGE		N=
ALL STORES	25	15	40	5587
REGION - CHAIN STORES				
NORTHEAST	54	18	54	201
MIDDLE ATLANTIC	15	15	15	1820
EAST NORTH CENTRAL	25	10	25	2124
WEST NORTH CENTRAL	-	-	-	0
SOUTHEAST	89	30	89	256
WEST SOUTH CENTRAL	41	29	41	348
MOUNTAIN	40	33	40	399
PACIFIC	66	56	74	282
REGION - INDEPENDENT STORES				
NORTHEAST	45	18	56	32
MIDDLE ATLANTIC	33	33	33	4
EAST NORTH CENTRAL	59	33	69	50
WEST NORTH CENTRAL	3	3	37	7
SOUTHEAST	76	30	76	16
WEST SOUTH CENTRAL	80	31	92	25
MOUNTAIN	27	3	27	6
PACIFIC	33	33	67	19

*Medians are expressed in terms of percentage.

TABLE 29
Store Development

	All Stores
Total	**12,617**
New Supermarkets Built	4.9%
Supermarkets that Underwent a Major Remodeling	6.4%
Supermarkets that Underwent a Minor Remodeling	6.4%
Supermarkets Acquired Through Purchase or Merger	2.9%
Supermarkets Closed	4.8%

Source: Facts '79

TABLE 30A
Average Number of Items Carried by a Typical Supermarket

	ALL STORES	GEOGRAPHIC REGION OF HEADQUARTERS							
		NORTH EAST	MIDDLE ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH EAST	WEST SOUTH CENTRAL	MOUN-TAIN	PACIFIC
TOTAL	6,472	220	1,875	2,212	158	860	361	442	303
NUMBER OF ITEMS	12,745	14,009	9,921	13,215	9,075	13,219	20,594	16,114	14,665

TABLE 30B
Average Number of Items Carried by a Typical Supermarket

	ALL STORES	RETAIL AFFIL.		1979 RETAIL SALES (IN MILLIONS OF DOLLARS)					
		CHAIN	INDE-PENDENT	UNDER $10	$10-29	$30-99	$100-249	$250-499	$500+
TOTAL	6,472	6,246	226	42	77	225	539	718	4,865
NUMBER OF ITEMS	12,745	12,783	11,702	9,196	11,197	11,542	11,706	14,063	12,783

TABLE 31A
Average Price of each Item Carried by a Typical Supermarket

	ALL STORES	GEOGRAPHIC REGION OF HEADQUARTERS							
		NORTH EAST	MIDDLE ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH EAST	WEST SOUTH CENTRAL	MOUN-TAIN	PACIFIC
TOTAL	5,645	218	1,646	2,180	8	472	356	415	305
PRICE OF ITEM	.94	.96	.70	1.08	.95	.93	1.00	1.10	1.01

TABLE 31B
Average Price of each Item Carried by a Typical Supermarket

	ALL STORES	RETAIL AFFIL.		1979 RETAIL SALES (IN MILLIONS OF DOLLARS)					
		CHAIN	INDE-PENDENT	UNDER $10	$10-29	$30-99	$100-249	$250-499	$500+
TOTAL	5,645	5,480	165	21	63	156	233	541	4,631
PRICE OF ITEM	.94	.94	.98	1.12	.93	.93	.92	1.05	.93

TABLE 32A
Average Percent of Supermarkets Offering Meals Away from Home

	ALL COMPANIES	GEOGRAPHIC REGION OF HEADQUARTERS							
		NORTH EAST	MIDDLE ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH EAST	WEST SOUTH CENTRAL	MOUN-TAIN	PACIFIC
TOTAL	6,755	249	1,880	2,302	162	855	383	567	312
DELI WITH CARRY-OUT	40.2	91.2	21.3	54.6	25.9	56.7	24.3	27.5	17.0
RESTAURANT	3.2	1.2	.2	3.8	9.9	1.8	8.1	3.2	1.0
LUNCH COUNTER/SNACK BAR	5.4	8.0	9.8	.8	.6	1.8	11.7	5.6	14.1
OTHER	3.7	6.0	.2	7.4	17.9	.9	.3	-	8.3

TABLE 32B
Average Percent of Supermarkets Offering Meals Away from Home

	ALL STORES	RETAIL AFFIL.		1979 RETAIL SALES (IN MILLIONS OF DOLLARS)					
		CHAIN	INDE-PENDENT	UNDER $10	$10-29	$30-99	$100-249	$250-499	$500+
TOTAL	6,755	6,410	345	76	136	247	511	783	4,992
DELI WITH CARRY-OUT	41.1	40.2	58.3	42.1	55.1	54.7	43.1	47.5	38.8
RESTAURANT	3.2	3.0	5.2	1.3	5.9	7.3	1.0	14.8	1.3
LUNCH COUNTER/SNACK BAR	5.4	5.4	6.4	6.6	2.2	10.5	1.6	6.6	5.4
OTHER	3.7	3.8	2.9	1.3	2.2	5.7	1.0	3.7	4.0

TABLE 33A
Credit Cards

	ALL STORES	GEOGRAPHIC REGION OF HEADQUARTERS: NORTH EAST	MIDDLE ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH EAST	WEST SOUTH CENTRAL	MOUN-TAIN	PACIFIC
TOTAL	6,532	248	1,775	2,270	78	852	379	570	317
ACCEPT CREDIT CARDS FOR GROCERY ITEMS	6.0	3.2	9.4	5.2	1.3	.8	.3	11.8	6.9
ACCEPT CREDIT CARDS FOR GENERAL MERCHANDISE	10.5	3.2	9.5	11.1	5.1	6.8	24.3	12.3	10.4

TABLE 33B
Credit Cards

	ALL STORES	RETAIL AFFIL.: CHAIN	INDE-PENDENT	1979 RETAIL SALES (IN MILLIONS OF DOLLARS): UNDER $10	$10-29	$30-99	$100-249	$250-499	$500+
TOTAL	6,532	6,186	346	69	134	257	511	559	4,992
ACCEPT CREDIT CARDS FOR GROCERY ITEMS	6.0	5.7	10.7	10.1	9.7	5.8	12.9	6.1	5.0
ACCEPT CREDIT CARDS FOR GENERAL MERCHANDISE	10.5	10.5	11.6	15.9	9.7	6.6	17.8	22.7	8.5

TABLE 34A
Percentage of Total Stores Currently Using Promotional Techniques

	ALL STORES	GEOGRAPHIC REGION OF HEADQUARTERS							
		NORTH EAST	MIDDLE ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH EAST	WEST SOUTH CENTRAL	MOUN-TAIN	PACIFIC
TOTAL	6,851	249	1,880	2,322	164	885	384	570	352
TRADING STAMPS	14.7	4.8	13.8	7.4	46.3	36.5	41.1	.7	1.1
GAMES	3.2	1.2	2.2	.3	8.5	.9	10.7	.5	29.0
CONTINUITY PROGRAMS	60.0	91.6	86.1	34.2	86.0	57.1	71.4	49.6	75.9
IN-STORE COUPONS	65.6	74.3	86.9	59.5	95.7	39.0	51.6	50.2	85.2
DOUBLE VALUE FOR MANUFACTUREP COUPONS	10.1	32.9	3.9	3.5	3.7	-	-	33.3	73.3

TABLE 34B
Percentage of Total Stores Currently Using Promotional Techniques

	ALL STORES	RETAIL AFFIL.		1979 RETAIL SALES (IN MILLIONS OF DOLLARS)					
		CHAIN	INDE-PENDENT	UNDER $10	$10-29	$30-99	$100-249	$250-499	$500+
TOTAL	6,851	6,473	378	84	143	265	539	819	4,992
TRADING STAMPS	14.7	14.6	16.4	7.1	19.6	24.2	18.0	32.9	10.8
GAMES	3.2	3.0	7.1	9.5	12.6	.8	13.5	1.6	2.1
CONTINUITY PROGRAMS	60.0	61.2	39.2	31.0	43.4	32.8	55.8	41.8	65.9
IN-STORE COUPONS	65.6	66.0	59.5	47.6	53.8	53.2	42.7	49.6	71.9
DOUBLE VALUE FOR MANUFACTUREP COUPONS	10.1	10.3	5.8	3.6	2.8	10.6	1.9	6.8	11.9

TABLE 35A
Average Supermarket Advertising Costs as a Percent of Sales

	MEDIAN	MIDDLE	RANGE	N=
ALL COMPANIES	.9	.1	1.1	146
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)				
UNDER 10	.6	.1	1.0	46
10 - 29	1.0	.1	1.4	33
30 - 99	.3	.1	1.2	30
100 - 249	.2	.1	.4	9
250 - 499	.8	.1	1.0	12
500 AND OVER	.9	.1	1.0	14

TABLE 35B
Average Supermarket Advertising Costs as a Percent of Sales

	MEDIAN	MIDDLE RANGE		N=
ALL COMPANIES	.9	.1	1.1	146
REGION - CHAIN STORES				
NORTHEAST	.9	.8	.9	2
MIDDLE ATLANTIC	.1	.1	.1	7
EAST NORTH CENTRAL	1.1	1.1	1.1	10
WEST NORTH CENTRAL	.1	.1	.2	2
SOUTHEAST	.6	.1	.6	11
WEST SOUTH CENTRAL	.1	.1	.4	5
MOUNTAIN	.9	.1	.9	3
PACIFIC	.9	.8	.9	2
REGION - INDEPENDENT STORES				
NORTHEAST	.5	.1	1.2	15
MIDDLE ATLANTIC	.2	.1	7.0	5
EAST NORTH CENTRAL	.7	.1	1.5	26
WEST NORTH CENTRAL	.6	.4	.8	5
SOUTHEAST	1.1	.7	1.5	25
WEST SOUTH CENTRAL	.2	.1	1.0	10
MOUNTAIN	.2	.2	.2	7
PACIFIC	.1	.1	.2	11

TABLE 36A
Percentage of Advertising Budget Spent on Following Methods

	ALL COMPANIES	GEOGRAPHIC REGION OF HEADQUARTERS							
		NORTH EAST	MIDDLE ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH EAST	WEST SOUTH CENTRAL	MOUN-TAIN	PACIFIC
NEWSPAPER	62.0	66.1	78.7	59.9	53.1	67.5	70.0	72.4	37.0
RADIO	6.2	8.3	5.0	5.0	2.2	6.3	5.6	4.0	16.5
TELEVISION	12.5	2.3	6.8	10.2	5.9	14.1	18.6	13.9	32.8
MAILER/FLYERS	16.1	18.8	4.6	21.9	10.0	11.3	4.9	5.7	8.3
IN-STORE COUPONS	1.5	1.5	.9	1.5	.4	.2	-	3.9	1.9
BILLBOARDS	1.4	3.7	-	1.4	13.4	.2	1.0	-	3.4

TABLE 36B
Percentage of Advertising Budget Spent on Following Methods

	ALL COMPANIES	RETAIL AFFIL.		1979 RETAIL SALES (IN MILLIONS OF DOLLARS)					
		CHAIN	INDE-PENDENT	UNDER $10	$10-29	$30-99	$100-249	$250-499	$500+
NEWSPAPER	62.0	61.5	68.8	59.8	72.0	68.6	77.7	60.0	61.2
RADIO	6.2	6.3	5.1	4.6	6.3	4.9	7.2	4.1	6.4
TELEVISION	12.5	12.9	6.3	6.6	5.5	6.4	6.9	14.8	13.0
MAILER/FLYERS	16.1	16.1	16.0	18.3	8.8	17.0	5.8	16.3	16.4
IN-STORE COUPONS	1.5	1.6	1.5	12.8	-	.8	-	1.9	1.6
BILLBOARDS	1.4	1.4	.5	.2	.2	.6	2.7	.6	1.5

TABLE 37
Percentage of Sales Accounted for by General Merchandise (Excluding HABA)

	MEDIAN	MIDDLE	RANGE	N=
ALL COMPANIES	4.2	3.0	6.7	121
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)				
UNDER 10	2.9	1.5	6.5	37
10 - 29	2.9	1.2	3.8	22
30 - 99	2.5	1.0	6.0	28
100 - 249	3.5	2.5	6.2	10
250 - 499	3.8	1.8	4.2	9
500 AND OVER	4.2	3.1	6.3	14
GEOGRAPHIC REGION OF HEADQUARTERS				
NORTHEAST	3.0	2.5	3.0	10
MIDDLE ATLANTIC	6.8	5.5	6.8	12
EAST NORTH CENTRAL	4.2	3.0	4.2	33
WEST NORTH CENTRAL	1.6	1.2	1.6	3
SOUTHEAST	3.0	.6	5.0	31
WEST SOUTH CENTRAL	6.3	3.6	6.3	11
MOUNTAIN	8.0	5.2	8.8	8
PACIFIC	3.1	3.0	7.2	12
RETAIL AFFILIATION				
CHAIN	4.2	3.1	6.6	41
INDEPENDENT	2.9	1.6	5.3	80

TABLE 38A
Categories of General Merchandise Carried by Supermarkets

	ALL STORES	GEOGRAPHIC REGION OF HEADQUARTERS							
		NORTH EAST	MIDDLE ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH EAST	WEST SOUTH CENTRAL	MOUN-TAIN	PACIFIC
ALL STORES	6,848	249	1,898	2,322	162	884	384	570	352
PET SUPPLIES	94.5	98.8	99.[illegible]	85.7	99.4	99.7	100.0	100.0	90.1
BOOKS/MAGAZINES	94.4	100.0	99.8	85.7	99.4	99.0	100.0	100.0	90.1
HOSIERY	94.0	99.6	99.2	84.6	99.4	99.5	100.0	100.0	90.1
SCHOOL SUPPLIES, STATIONERY	93.0	95.2	99.8	82.8	99.4	99.0	94.8	100.0	90.1
HOUSEWARES/GLASSWARE	91.1	99.2	97.8	83.0	95.1	89.8	93.2	99.5	87.8
PHOTO SUPPLIES	88.7	90.0	99.7	80.5	97.5	72.9	99.2	98.4	90.1
BABY ACCESSORIES	88.5	96.4	97.9	74.7	96.9	93.2	91.9	100.0	84.4
GREETING CARDS	68.9	42.2	73.5	65.3	91.4	41.6	88.8	93.5	79.3
AUTOMOTIVE SUPPLIES	62.7	29.7	63.8	48.8	22.8	64.1	96.9	100.0	84.9
HARDWARE (TOOLS, NAILS, ETC.)	36.5	25.7	14.8	31.6	10.5	29.6	81.5	94.2	84.1
WEARING APPAREL	34.4	22.1	87.9	13.1	3.1	12.2	16.4	19.6	14.8
APPLIANCES	12.9	1.6	12.0	5.3	1.9	3.6	57.6	24.4	37.8

TABLE 38B
Categories of General Merchandise Carried by Supermarkets

	ALL STORES	RETAIL AFFIL.		1979 RETAIL SALES (IN MILLIONS OF DOLLARS)					
		CHAIN	INDE-PENDENT	UNDER $10	$10-29	$30-99	$100-249	$250-499	$500+
ALL STORES	6,848	6,473	375	81	143	265	539	818	4,992
PET SUPPLIES	94.5	94.3	98.1	93.8	100.0	96.2	99.4	85.0	95.3
BOOKS/MAGAZINES	94.4	94.3	97.3	95.1	97.2	92.8	100.0	85.2	95.4
HOSIERY	94.0	93.7	98.4	95.1	99.3	91.3	99.4	85.0	94.8
SCHOOL SUPPLIES, STATIONERY	93.0	92.8	96.8	92.6	97.9	92.5	98.7	82.6	94.0
HOUSEWARES/GLASSWARE	91.1	91.3	88.0	85.2	91.6	83.8	84.6	78.5	94.4
PHOTO SUPPLIES	88.7	89.0	82.9	74.1	76.9	89.1	90.2	78.7	90.8
BABY ACCESSORIES	88.5	88.6	87.7	82.7	87.4	82.3	83.5	79.3	91.0
GREETING CARDS	68.9	69.2	63.7	56.8	59.4	57.0	74.4	62.2	70.5
AUTOMOTIVE SUPPLIES (OIL & ACCESORIES)	62.7	62.6	65.6	72.8	61.5	70.9	63.6	61.0	62.3
HARDWARE (TOOLS, NAILS, ETC.)	36.5	35.6	52.8	51.9	59.4	46.0	43.2	36.6	34.3
WEARING APPAREL	34.4	34.5	32.8	39.5	44.1	13.2	17.8	31.3	37.5
APPLIANCES	12.9	12.8	14.1	17.3	16.1	12.8	17.1	7.8	13.0

TABLE 39A
General Merchandise That Can Be Ordered From The Warehouse

	ALL COMPANIES	GEOGRAPHIC REGION OF HEADQUARTERS							
		NORTH EAST	MIDDLE ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH EAST	WEST SOUTH CENTRAL	MOUNTAIN	PACIFIC
TOTAL COMPANIES	44	3	5	13	2	10	1	7	7
HOSIERY	90.9	100.0	80.0	92.3	100.0	70.0	100.0	100.0	100.0
SCHOOL SUPPLIES	84.1	66.7	60.0	76.9	100.0	90.0	100.0	100.0	100.0
BABY ACCESSORIES	72.7	33.3	60.0	76.9	100.0	50.0	100.0	66.7	100.0
AUTOMOTIVE SUPPLIES	72.7	100.0	100.0	53.8	50.0	60.0	100.0	66.7	100.0
TOYS SUPPLIES	72.7	-	80.0	76.9	100.0	50.0	100.0	66.7	100.0
HOUSEWARES/GLASSWARE	68.2	33.3	40.0	61.5	50.0	60.0	60.0	100.0	100.0
PET SUPPLIES	59.1	66.7	40.0	53.8	50.0	40.0	100.0	66.7	100.0
HARDWARE (TOOLS, NAILS, ETC.)	47.7	-	20.0	46.2	50.0	40.0	60.0	100.0	100.0
APPLIANCES	45.5	33.3	40.0	46.2	-	40.0	60.0	66.7	66.7
WEARING APPAREL	34.1	33.3	40.0	30.8	-	30.0	60.0	33.3	33.3
BOOKS/MAGAZINES	27.3	-	60.0	23.1	50.0	10.0	20.0	66.7	33.3
GREETING CARDS	9.1	-	20.0	7.7	50.0	-	-	33.3	-

TABLE 39B
General Merchandise That Can Be Ordered From The Warehouse

		RETAIL AFFIL.		1979 RETAIL SALES (IN MILLIONS OF DOLLARS)					
	ALL COMPANIES	CHAIN	INDEP-ENDENT	UNDER $1M	$1M-2M	$3M-9M	$10M-24M	$25M-49M	$50M+
TOTAL COMPANIES	44	36	8	2	2	7	6	12	15
HOSIERY	92.9	33.3	125.0	200.0	100.0	85.7	66.7	91.7	86.7
SCHOOL SUPPLIES	84.1	80.6	100.0	150.0	100.0	71.4	66.7	83.3	86.7
BABY ACCESSORIES	72.7	63.9	112.5	222.3	100.0	57.1	16.7	83.3	73.3
AUTOMOTIVE SUPPLIES	72.7	63.9	112.5	250.0	50.0	71.4	33.3	91.7	53.3
PHOTO SUPPLIES	72.7	69.4	87.5	150.0	50.0	71.4	66.7	83.3	66.6
HOUSEWARES/GLASSWARE	68.2	63.9	87.5	150.0	50.0	71.4	16.7	66.7	60.0
PET SUPPLIES	59.1	55.6	62.5	100.0	50.0	42.9	16.7	75.0	66.7
HARDWARE (TOOLS, NAILS, ETC.)	47.7	44.4	62.5	150.0	50.0	28.6	16.7	50.0	53.3
APPLIANCES	45.5	38.9	75.0	200.0	-	57.1	-	33.3	53.3
WEARING APPAREL	34.1	27.8	62.5	150.0	50.0	14.3	16.7	33.3	33.3
BOOKS/MAGAZINE	27.3	27.8	25.0	50.0	50.0	-	16.7	33.3	33.3
GREETING CARDS	9.1	8.3	12.5	50.0	-	-	-	16.7	6.7

TABLE 40A
Operational Scanning Installations

	ALL STORES	GEOGRAPHIC REGION OF HEADQUARTERS							
		NORTH EAST	MIDDLE ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH EAST	WEST SOUTH CENTRAL	MOUN-TAIN	PACIFIC
TOTAL	6,771	247	1,880	2,312	161	834	381	570	341
STORES WITH SCANNING INSTALLATIONS BY END OF 1980	17.2	21.1	4.4	16.0	20.5	48.6	8.9	9.6	37.0
STORES WITH SCANNING INSTALLATIONS BY END OF 1981	21.0	15.0	12.8	22.3	39.8	24.8	15.5	23.3	46.0
STORES WITH SCANNING INSTALLATIONS BY END OF 1982	30.7	18.6	30.1	29.5	58.4	29.7	23.4	27.0	55.1

TABLE 40B
Operational Scanning Installations

		RETAIL AFFIL.		1979 RETAIL SALES (IN MILLIONS OF DOLLARS)					
	ALL STORES	CHAIN	INDE-PENDENT	UNDER $10	$10-29	$30-99	$100-249	$250-499	$500+
TOTAL	6,771	6,429	342	74	135	247	495	818	4,992
STORES WITH SCANNING INSTALLATIONS BY END OF 1980	17.2	16.9	22.8	12.2	23.7	24.7	9.7	16.3	17.7
STORES WITH SCANNING INSTALLATIONS BY END OF 1981	21.0	20.3	33.9	21.6	37.8	34.0	14.9	19.9	20.7
STORES WITH SCANNING INSTALLATIONS BY END OF 1982	30.7	30.2	41.2	41.9	39.3	34.0	24.2	31.3	30.7

TABLE 41A
Current Use of Scanning POS Data

	ALL COMPANIES	GEOGRAPHIC REGION OF HEADQUARTERS							
		NORTH EAST	MIDDLE ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH EAST	WEST SOUTH CENTRAL	MOUN-TAIN	PACIFIC
TOTAL	5,583	209	1,654	1,829	158	656	227	516	289
WORK SCHEDULES	65.5	28.2	100.0	26.5	2.5	63.4	98.2	100.0	89.3
COUPON ACCOUNTING	57.0	100.0	100.0	26.4	95.6	22.9	100.0	1.4	89.3
RESULTS OF PROMOTION AND ADVERTISED SPECIALS	50.7	28.2	93.7	26.0	53.2	53.5	70.0	.6	36.3
SHRINK ANALYSIS	49.2	17.7	96.2	5.7	55.7	43.6	-	74.0	89.3
SHELF ALLOCATION	12.6	28.2	-	22.6	-	8.2	-	25.2	-
PRICE ELASTICITY	9.5	-	2.5	16.2	-	3.5	31.7	-	33.9
STORE INVENTORY CONTROL-AUTOMATIC REORDERING	2.8	17.7	-	-	-	18.4	-	-	-
NOT CURRENTLY MAKING USE OF AVAILABLE DATA	30.8	-	-	73.6	44.3	40.9	1.3	.8	10.7

TABLE 41B
Current Use of Scanning POS Data

	ALL COMPANIES	RETAIL AFFIL.		1979 RETAIL SALES (IN MILLIONS OF DOLLARS)					
		CHAIN	INDE-PENDENT	UNDER $10	$10-29	$30-99	$100-249	$250-499	$500+
TOTAL	5,583	5,498	85	11	41	77	278	450	4,726
WORK SCHEDULING	65.5	65.4	76.5	45.5	82.9	90.9	67.3	75.1	64.0
COUPON ACCOUNTING	57.0	56.7	75.3	36.4	82.9	74.0	68.0	76.2	54.1
RESULTS OF PROMOTIONS AND ADVERTISED SPECIALS	50.7	50.4	69.4	36.4	82.9	84.4	6.5	78.7	49.9
SHRINK ANALYSIS	49.2	49.4	35.3	9.1	36.6	35.1	28.1	26.9	53.0
SHELF ALLOCATION	12.6	12.2	35.3	9.1	31.7	61.0	13.3	32.7	9.6
PRICE ELASTICITY	9.5	9.3	21.2	-	24.4	32.5	14.7	24.9	7.3
STORE INVENTORY CONTROL-AUTOMATIC REORDERING	2.8	2.9	-	-	-	-	-	8.2	2.6
NOT CURRENTLY MAKING USE OF AVAILABLE DATA	30.8	30.9	28.2	90.9	7.3	14.3	42.8	6.2	32.8

TABLE 42
Scanning Installation Update

	Number of Installations	Percent
NCR	643	36.1%
IBM	629	35.3
Datachecker	339	19.0
Sweda	114	6.4
Dataterminal	49	2.8
Datacash	6	.4
	1,780	100.0%

Year	
1974	6
1975	42
1976	104
1977	206
1978	562
1979	1,472
1st Quarter, 1980	1,780

Installations by State

California	217	Oregon	28	Mississippi	6
Florida	215	Louisiana	26	Nebraska	5
Missouri	107	Wisconsin	26	Montana	5
Texas	102	Georgia	23	Nevada	5
Maryland	80	Utah	23	North Dakota	4
Virginia	78	Kentucky	19	Hawaii	3
Ohio	75	Maine	19	West Virginia	3
Illinois	70	Minnesota	16	South Dakota	2
Washington	61	Colorado	14	Vermont	1
New York	47	Iowa	14	Wyoming	1
North Carolina	43	New Hampshire	13	Rhode Island	1
Massachusetts	42	Arkansas	12	Delaware	1
Indiana	40	South Carolina	10	Idaho	1
Pennsylvania	35	Oklahoma	10		
Michigan	33	Arizona	9	Total U.S.	1,696
Kansas	32	Dist. of Columbia	8	Canada	84
Alabama	30	Connecticut	8		
New Jersey	30	Alaska	7	Total	1,780
Tennessee	29	New Mexico	7		

Source: Food Marketing Institute

TABLE 43
Produce Department as Percent of Total Selling Area

	MEDIAN	MIDDLE	RANGE	N=
ALL STORES	8	8	9	6387
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)				
UNDER 10	10	5	10	69
10 - 29	8	6	10	130
30 - 99	7	6	10	225
100 - 249	8	7	9	434
250 - 499	10	8	13	652
500 AND OVER	8	8	9	4871
GEOGRAPHIC REGION OF HEADQUARTERS				
NORTHEAST	9	8	9	232
MIDDLE ATLANTIC	8	7	8	1872
EAST NORTH CENTRAL	9	7	9	2228
WEST NORTH CENTRAL	4	4	4	75
SOUTHEAST	12	8	15	675
WEST SOUTH CENTRAL	7	6	8	384
MOUNTAIN	10	9	10	548
PACIFIC	15	10	15	329
RETAIL AFFILIATION				
CHAIN	9	8	9	5070
INDEPENDENT	8	6	10	317

TABLE 44
Percentage of Sales Accounted for by the Produce Department

	MEDIAN	MIDDLE RANGE		N=
ALL STORES	8	7	8	6843
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)				
UNDER 10	6	5	7	76
10 - 29	6	6	7	143
30 - 99	7	6	9	265
100 - 249	7	6	7	539
250 - 499	7	7	8	918
500 AND OVER	8	7	9	4992
GEOGRAPHIC REGION OF HEADQUARTERS				
NORTHEAST	9	7	9	249
MIDDLE ATLANTIC	8	7	9	1880
EAST NORTH CENTRAL	8	8	8	2320
WEST NORTH CENTRAL	8	7	8	164
SOUTHEAST	7	5	9	880
WEST SOUTH CENTRAL	7	6	7	384
MOUNTAIN	8	8	8	570
PACIFIC	9	9	9	351
RETAIL AFFILIATION				
CHAIN	8	7	8	6473
INDEPENDENT	6	6	8	372

TABLE 45
Average Number of Employees in the Produce Department

	MEDIAN	MIDDLE RANGE		N=
ALL STORES	3	2	5	6791
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)				
UNDER 10	2	1	3	79
10 - 29	2	2	3	132
30 - 99	3	3	5	265
100 - 249	3	2	4	495
250 - 499	4	3	5	818
500 AND OVER	3	2	5	4992
GEOGRAPHIC REGION OF HEADQUARTERS				
NORTHEAST	6	6	6	239
MIDDLE ATLANTIC	2	2	2	1880
EAST NORTH CENTRAL	5	4	5	2320
WEST NORTH CENTRAL	3	2	3	164
SOUTHEAST	4	3	5	837
WEST SOUTH CENTRAL	3	2	3	384
MOUNTAIN	3	3	3	570
PACIFIC	6	3	6	352
RETAIL AFFILIATION				
CHAIN	3	2	5	6429
INDEPENDENT	3	2	5	362

TABLE 46
Average Sales per Labor Hour for Produce Department Employees

	MEDIAN	MIDDLE RANGE		N=
ALL STORES	75.00	70.00	78.05	5332
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)				
UNDER 10	57.50	50.00	65.05	57
10 - 29	60.00	49.03	65.30	127
30 - 99	70.00	58.06	85.00	225
100 - 249	65.50	45.20	68.20	472
250 - 499	78.00	56.50	82.24	790
500 AND OVER	75.00	66.50	75.00	4661
GEOGRAPHIC REGION OF HEADQUARTERS				
NORTHEAST	82.72	80.99	82.72	247
MIDDLE ATLANTIC	75.00	70.00	75.00	1892
EAST NORTH CENTRAL	70.00	65.00	70.00	2169
WEST NORTH CENTRAL	77.78	73.82	77.78	91
SOUTHEAST	55.00	48.63	73.34	741
WEST SOUTH CENTRAL	88.00	78.40	88.29	379
MOUNTAIN	90.00	75.00	90.00	432
PACIFIC	92.50	92.00	98.00	348
RETAIL AFFILIATION				
CHAIN	75.00	69.80	78.06	5047
INDEPENDENT	60.00	52.37	73.00	285

Table 47A
Average Number of Fresh Produce Items Carried

	ALL STORES	GEOGRAPHIC REGION OF HEADQUARTERS							
		NORTH EAST	MIDDLE ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH EAST	WEST SOUTH CENTRAL	MOUN-TAIN	PACIFIC
TOTAL	6,458	221	1,867	2,279	156	742	370	435	343
AVERAGE NUMBER OF ITEMS IN SUMMER	141	129	161	150	160	115	115	110	201
AVERAGE NUMBER OF ITEMS IN WINTER	126	123	139	142	137	103	102	93	165

TABLE 47B
Average Number of Fresh Produce Items Carried

	ALL STORES	RETAIL AFFIL.		1979 RETAIL SALES (IN MILLIONS OF DOLLARS)					
		CHAIN	INDE-PENDENT	UNDER $10	$10-29	$30-99	$100-249	$250-499	$500+
TOTAL	6,458	6,225	233	48	75	228	539	818	4,744
AVERAGE NUMBER OF ITEMS IN SUMMER	141	177	113	111	125	112	164	204	194
AVERAGE NUMBER OF ITEMS IN WINTER	126	161	100	95	104	112	156	171	176

TABLE 48A
Produce Pricing and Display

	ALL STORES	GEOGRAPHIC REGION OF HEADQUARTERS							
		NORTH EAST	MIDDLE ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH EAST	WEST SOUTH CENTRAL	MOUN-TAIN	PACIFIC
PRODUCE DISPLAYED	6,849	249	1,880	2,322	162	885	384	570	352
BULK	65.3	55.7	55.8	68.3	66.6	48.2	80.2	92.8	84.0
PRE-PACK	34.7	44.3	44.2	31.7	33.4	51.8	19.8	7.1	16.0
PRODUCE WEIGHTED	6,757	249	1,875	2,279	164	840	384	570	352
AT FRONT END	56.8	70.1	84.8	22.1	48.4	29.6	90.9	97.1	95.7
IN PRODUCE DEPARTMENT	39.1	16.8	8.9	74.3	38.9	69.8	9.1	2.9	.3
ITEM PRICE LOOK-UP AT FRONT END	6,851	249	1,880	2,322	164	885	384	570	352
YES	68.9	87.6	96.7	29.1	98.8	58.1	99.7	96.8	100.0
NO	31.1	12.4	3.3	70.9	1.2	41.9	.3	3.2	-
SCANNING PRE-PACK (FOR STORES WITH SCANNING)									
YES	14.9	-	2.6	19.1	-	66.8	-	-	-
NO	85.1	100.0	97.4	80.9	100.0	33.2	100.0	100.0	100.0

TABLE 48B
Produce Pricing and Display

		RETAIL AFFIL.		1979 RETAIL SALES (IN MILLIONS OF DOLLARS)					
	ALL STORES	CHAIN	INDE-PENDENT	UNDER $10	$10-29	$30-99	$100-249	$250-499	$500+
PRODUCE DISPLAYED	6,849	6,473	376	82	143	265	539	818	4,992
BULK	65.3	66.0	53.2	55.1	53.3	55.5	59.6	53.1	68.9
PRE-PACK	34.7	34.0	46.7	44.3	46.7	44.5	40.4	46.9	31.1
PRODUCE WEIGHTED	6,757	6,385	372	83	143	260	495	774	4,992
AT FRONT END	56.8	57.6	44.1	50.2	46.5	52.0	41.1	25.9	63.8
IN PRODUCE DEPARTMENT	39.1	38.7	45.8	43.9	41.7	41.9	49.5	57.4	35.0
ITEM PRICE LOOK-UP AT FRONT END	6,851	6,473	378	84	143	265	539	818	4,992
YES	68.9	68.6	73.5	60.7	72.7	73.6	81.3	80.7	65.3
NO	31.1	31.4	26.5	39.3	27.3	26.4	18.7	19.3	34.7
SCANNING PRE-PACK (FOR STORES WITH SCANNING)									
YES	14.9	15.1	4.3	12.5	5.9	-	27.4	16.9	14.5
NO	85.1	84.9	95.7	87.5	94.1	100.0	72.6	83.1	85.5

TABLE 49
Company Distribution of Employees by Job Category

	ALL COMPANIES	TYPE OF COMPANY: CHAIN	INDE-PENDENT	WHOLE-SALER
TOTAL (FULL & PART TIME)	409,232	370,305	19,855	18,937
PART TIME (STORE LEVEL)	46.3	45.7	49.7	33.6
FULL TIME (STORE LEVEL)	45.2	45.2	45.1	25.7
DEPARTMENT MANAGER	6.5	6.5	7.1	6.6
STORE MANAGER/ASSISTANT	3.1	3.2	3.3	1.9
WAREHOUSE/DISTRIBUTION	7.9	5.6	1.2	41.6
DIVISION/HEADQUARTERS (BELOW VICE PRESIDENT)	4.7	4.3	2.9	14.8
DIVISION/HEADQUARTERS (VICE PRESIDENT AND ABOVE)	.2	.1	1.2	1.3

TABLE 50
Part Time (Store Level) Employees as Percent of Full Time (Store Level) Employees

	MEAN	N=
ALL COMPANIES	127	151
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)		
UNDER 10	116	53
10 - 29	114	28
30 - 99	131	30
100 - 249	137	12
250 - 499	175	13
500 AND OVER	132	13
GEOGRAPHIC REGION OF HEADQUARTERS		
NORTHEAST	251	18
MIDDLE ATLANTIC	140	14
EAST NORTH CENTRAL	117	37
WEST NORTH CENTRAL	103	7
SOUTHEAST	101	35
WEST SOUTH CENTRAL	101	15
MOUNTAIN	103	8
PACIFIC	91	16
TYPE OF COMPANY		
CHAIN	142	45
INDEPENDENT	120	105
WHOLESALER	135	26

TABLE 51
Annual Turnover Percentage for Full Time (Store Level) Employees

	MEAN	N=
ALL COMPANIES	20.6	87
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)		
UNDER 10	21.0	28
10 - 29	19.7	14
30 - 99	20.1	18
100 - 249	19.5	8
250 - 499	21.7	10
500 AND OVER	20.5	9
GEOGRAPHIC REGION OF HEADQUARTERS		
NORTHEAST	21.4	8
MIDDLE ATLANTIC	9.2	10
EAST NORTH CENTRAL	14.8	24
WEST NORTH CENTRAL	21.9	3
SOUTHEAST	19.3	14
WEST SOUTH CENTRAL	19.2	11
MOUNTAIN	67.7	5
PACIFIC	16.8	11
TYPE OF COMPANY		
CHAIN	20.6	33
INDEPENDENT	20.1	54
WHOLESALER	13.6	18

TABLE 52
Annual Turnover Percentage for Part Time (Store Level) Employees

	MEAN	N=
ALL COMPANIES	74.3	99
COMPANY RETAIL SALES (IN MILLIONS OF DOLLARS)		
UNDER 10	66.2	36
10 - 29	56.4	18
30 - 99	85.3	19
100 - 249	69.8	8
250 - 499	67.4	10
500 AND OVER	76.3	8
GEOGRAPHIC REGION OF HEADQUARTERS		
NORTHEAST	61.6	13
MIDDLE ATLANTIC	62.8	10
EAST NORTH CENTRAL	84.9	27
WEST NORTH CENTRAL	80.8	3
SOUTHEAST	73.9	18
WEST SOUTH CENTRAL	62.8	11
MOUNTAIN	48.9	5
PACIFIC	95.6	11
TYPE OF COMPANY		
CHAIN	74.1	32
INDEPENDENT	77.9	67
WHOLESALER	85.1	19

TABLE 53
Operating Results
(Current & Historical)

	1973	1974	1975	1976	1977	1978	1979
Profit							
Gross Profit with Warehouse	21.1%	20.9%	22.3%	22.2%	22.0%	22.6%	22.3%
Gross Profit without Warehouse	18.8	19.0	19.3	20.0	19.7	21.0	20.5
Store Door Margin	17.4	17.9	18.6	18.6	18.5	18.9	18.9
Net Profit (before taxes)	1.3	1.8	1.5	1.3	1.4	1.7	1.9
Expenses							
Store Labor	8.3	8.1	8.1	8.3	8.4	8.5	8.3
Fringe Benefits	1.3	1.4	1.4	1.5	1.7	2.0	1.8
Store Supply	0.8	0.9	0.9	0.9	0.9	0.9	.9
Rent and Real Estate	1.4	1.3	1.3	1.3	1.3	1.3	1.2
Utilities	0.7	0.8	0.9	0.9	0.9	1.0	1.0
Grocery Department Shrink	0.8	0.6	0.8	0.6	0.5	0.5	.5

Source: Operations Review 1973-1979

TABLE 54
Food Consumption

	index
1979	105.1
1978	104.2
1977	104.4
1976	105.3
1975	101.5
1974	102.3
1973	101.7
1967	100.0

Source: National Food Review, U.S. Department of Agriculture

TABLE 55
Percent of Disposable Income Spent on Food

	All Food	Food at Home	Food Away from Home
1979	16.4%	12.3%	4.1%
1978	16.5	12.2	4.3
1977	16.7	12.5	4.1
1976	16.8	12.7	4.1
1975	17.1	13.0	4.1
1974	16.9	13.0	3.9
1973	16.3	12.5	3.8

Source: U.S. Department of Agriculture
Economics, Statistics, & Cooperatives Service

TABLE 56
Consumer Price Index*

	All Items		Food at Home		Food Away from Home	
	C.P.I.	Percent Change	C.P.I.	Percent Change	C.P.I.	Percent Change
1979	229.9	13.3%	238.7	9.9%	253.4	11.4%
1978	202.9	9.0	217.9	12.5	227.4	10.3
1977	186.1	6.8	193.7	8.0	206.2	8.0
1976	174.3	4.8	179.3	−.9	190.9	6.1
1975	166.3	7.0	180.9	6.2	180.0	7.4
1974	155.4	12.2	170.3	12.4	167.6	11.2
1973	138.5	8.8	151.5	22.1	150.7	12.7

*1967 = 100

Source: Consumer Price Index
Detailed Report for December
U.S. Department of Labor
Bureau of Labor Statistics

TABLE 57
Historical Data

Average Percent Change in Retail Sales	
1978 vs. 1979	15.0%
1977 vs. 1978	13.1
1976 vs. 1977	9.5
1975 vs. 1976	8.7
1974 vs. 1975	14.8
1973 vs. 1974	16.0
1972 vs. 1973	11.0

Average Percent Change in Retail Sales-Identical Stores	
1978 vs. 1979	11.7%
1977 vs. 1978	11.8
1976 vs. 1977	8.0
1975 vs. 1976	6.7
1974 vs. 1975	11.4
1973 vs. 1974	9.0
1972 vs. 1973	9.0

Average Weekly Store Sales	
1979	$110,000
1978	88,337
1977	75,000
1976	72,425
1975	68,000
1974	64,743
1973	58,000

Average Weekly Sales Per Square Foot	
1979	$6.49
1978	6.17
1977	5.80
1976	5.50
1975	5.33
1974	5.09
1973	4.71

Average Sales Per Transaction	
1979	$11.60
1978	10.28
1977	9.85
1976	9.39
1975	8.75
1974	8.23
1973	7.47

Average Number of Items in a Supermarket	
1979	12,745
1978	11,767
1976	9,000
1974	9,000
1969	8,000
1966	7,000
1963	6,800

Definitions

Annual Turnover Percentage	The number of employees who leave a job during the year related to the number of employees in the job category at the end of the year.
Bagger Assistance Rate	Percentage of time the typical checker is assisted by a bagger.
Chain	Retailers with eleven (11) or more supermarkets.
Delivery Cost	The total amount of delivery expense charged to the retail store operation, including salaries, fringe benefits including payroll taxes, equipment depreciation and rental, taxes and licenses, insurance, repairs, gas and oil, and operating supplies.
Fringe Benefits	The company's share of payroll taxes (including those payable under the Federal Insurance Contribution Act, state and federal unemployment compensation, Workers' Compensation), holiday and vacation pay, group insurance, pension, profitsharing, retirement, severance pay, and bonus unless it is a significant amount paid on a regular, recurring basis.
Identical Stores	Supermarkets in operation throughout the entire two-year period, 1978 and 1979.
Independent	Retailers with ten (10) or less supermarkets.
Selling Area	Customer area of the store.
Shortage (Shrink)	Computed using the "retail method," it includes all inventory shortages, including disappearance, spoilage and damaged merchandise for which there is no supplier reimbursement. Shrink is reported at retail value as a percent of sales.
Store Door Margin	Gross profit after any wholesaler's fees minus warehouse, delivery, and headquarter's cost are deducted.
Store Labor Expense	The payment to all store personnel including the store manager, for straight and overtime wages and regular recurring bonus payments. Payments for sickness, absence, excused time off, training and commissions are included in this figure.
Store Rent and Real Estate	Rent paid for store building and parking lot, real estate taxes and insurance and amortization of lease-hold improvements.
Store Supplies	The expense incurred for checkout, wrapping and prepackaging supplies and maintenance supplies for cleaning, window washing, etc.
Supermarket	A retail food store with annual sales of at least $1 million a year.
Utilities Expense	The cost for heating, light, water and power.
Warehouse Cost	The total amount of warehouse expense charged to the retail store operation, including such items as salaries, fringe benefits, warehouse rental, equipment rent or depreciation, utility cost and supplies.

Wholesaler: A company which reported wholesale sales in 1978 to supermarkets, institutions and/or businesses other than those owned by the company.

A. Cooperative:
(Independent)—Retailers who are stockholder members of cooperative wholesale buying groups.

B. Voluntary:
(Independent)—Retailers who belong to voluntary merchandising groups sponsored by wholesalers and who operate under a common name.

C. Unaffiliated:
(Independent)—Retailers who are not affiliated with either wholesale, cooperative or voluntary merchandising groups sponsored by wholesalers.

Region The geographic area in which the company headquarters is located. Listed below are the states which fall into each region:

Northeast
Connecticut
Maine
Massachusetts
New Hampshire
Rhode Island
Vermont

Middle Atlantic
New Jersey
New York
Pennsylvania

East North Central
Illinois
Indiana
Michigan
Ohio
Wisconsin

West North Central
Iowa
Kansas
Minnesota
Missouri
Nebraska
North Dakota
South Dakota

Southeast
Alabama
Delaware
District of Columbia
Florida

Southeast (Cont'd)
Georgia
Kentucky
Maryland
Mississippi
North Carolina
Puerto Rico
South Carolina
Tennessee
Virginia
West Virginia

West South Central
Arkansas
Louisiana
Oklahoma
Texas

Mountain
Arizona
Colorado
Idaho
Montana
Nevada
New Mexico
Utah
Wyoming

Pacific
Alaska
California
Hawaii
Oregon
Washington

Canada

THE FOOD MARKETING INDUSTRY SPEAKS 1980

If you have any questions about this questionnaire, please call the research department of FMI—(202) 452-8444.

1. What percentage of your total sales is accounted for by private label products? _____ %

2. What percent of the number of trips your trucks make from the warehouse to retail stores pass within 10 miles of a supplier's warehouse? _____ %

3. Typically, what is the average distance between your distribution center and the stores you serve? _____ miles

4. Which of the following can be ordered from your warehouse (please check as many as apply)?

don't own a warehouse	☐ 1
dry groceries	☐ 2
health and beauty aids	☐ 3
general merchandise	☐ 4
produce	☐ 5
delicatessen	☐ 6
frozen foods	☐ 7
meat	☐ 8
dairy	☐ 1
ice cream	☐ 2
soft drinks	☐ 3
beer	☐ 4
wine	☐ 5
bakery	☐ 6
other	☐ 7

5. Which of the following categories of general merchandise can be ordered from your warehouse (please check as many as apply)?

don't own a warehouse	☐ 1
wearing apparel	☐ 2
appliances	☐ 3
baby accessories	☐ 4
books/magazines	☐ 5
automotive supplies	☐ 6
hosiery	☐ 7
hardware (tools, nails, etc.)	☐ 1
housewares/glassware	☐ 2
greeting cards	☐ 3
photo supplies	☐ 4
pet supplies	☐ 5
school supplies	☐ 6

6. Does your company sell food and related products to supermarkets, institutions and/or businesses other than those stores and businesses *owned* by your firm?

Yes ☐ 1
No ☐ 2

(If no, skip to Retail Operations, page 3)

I. Wholesale Operations

7. Is your wholesale operation a:

cooperative ☐ 1
voluntary ☐ 2
unaffiliated ☐ 3

8. How many supermarkets does your wholesale operation serve (a supermarket is a retail food store with annual sales of at least one million dollars)? _____ supermarkets

9. What were your wholesale sales in (if 1979 figures not yet available, give an estimate)

1978? $ _____
1979? $ _____

10. What percentage of your annual wholesale sales volume is attributed to:

food chains _____ %
independent food stores _____ %
corporately owned stores _____ %
convenience stores _____ %
restaurants _____ %
hospitals _____ %
schools _____ %
other _____ (please specify) _____ %
100 %

11. Which of the following services do you provide to your retailers (please check as many as apply)?

advertising program ☐ 1
educational/training program ☐ 2
retail accounting service ☐ 3
member payroll ☐ 4
individual retail pricing program ☐ 5
real estate & store engineering ☐ 6
interior decor & design service ☐ 7
product movement data ☐ 8

gross margin report by item ☐ 1
handle private label ☐ 2
discount programs ☐ 3
space allocation ☐ 4
scanning support ☐ 5
DSD system ☐ 6
other _____ (please specify) ☐ 7

If you do not own a supermarket, skip to section V on page 6.

II. Retail Operations

12. How many supermarkets does your company operate (a supermarket is a retail food store with annual sales of at least one million dollars)? ..... _____ supermarkets

13. What were your retail supermarket sales in (if 1979 figures not yet available, please give an estimate)

1978? ..... $ _____

1979? ..... $ _____

14. What were your sales for "identical stores" (those supermarkets which you had in operation *throughout the entire two-year period, 1978 and 1979*) for

1978? ..... $ _____

1979? ..... $ _____

15. What percentage of your total sales in 1979, excluding HABA, is accounted for by general merchandise? ..... _____ %

16. What were your average *weekly* sales per supermarket in 1979? ..... $ _____

17. What were your average *weekly* sales per checkout in 1979? ..... $ _____

18. What were your average *weekly* sales per square foot of selling area in 1979? (Divide average weekly sales for all your supermarkets in operation the *entire* year by the number of square feet of selling area—"customer area"—in those stores.) ..... $ _____ (per square foot)

19. What was the average sale per customer transaction for your supermarket in 1979? ..... $ _____ (per customer transaction)

20. What were your sales per labor-hour for store employees in 1979? ..... $ _____ (per labor-hour)

21. What is your average bagger assistance rate? ..... _____ %

$$\text{bagger assistance rate} = \frac{\text{total bagger hours}}{\text{total checker hours}} \times 100$$

22. What is your average number of "rings" per minute of total checker time for a

$$\text{rings per minute} = \frac{\text{total number of items sold}}{\text{total minutes of checker time}}$$

scanning store? ..... _____ (rings per minute)

non-scanning store? ..... _____ (rings per minute)

23. What is the average retail price per item for all items sold in your supermarket during *December, 1979*? ..... _____ (price per item)

24. On average, how many different items does your typical supermarket carry (count each brand, size, flavor, variety, type of meat cut, etc., as a separate item)? ..... _____ items

25. Using the definition that retail inventory shortage (shrink) is any unexplained loss, including losses due to theft of merchandise, incorrect pricing practices, breakage, salvage, carelessness, negligence and error, what was your company's retail inventory shortage as a percentage of sales in 1979? ..... _____ %

26. Excluding vendor deliveries, what percentage of your operation is supplied by the following:

voluntary	_____	%
cooperative	_____	%
unaffiliated warehouse	_____	%
own warehouse	_____	%
	100	%

27. In how many supermarkets are you currently operating a

deli offering carry-out items?	_____	supermarkets
restaurant?	_____	supermarkets
lunch counter/snack bar?	_____	supermarkets
other _____ (please specify)	_____	supermarkets

28. In how many supermarkets are you currently using the following promotional techniques:

trading stamps	_____	supermarkets
games	_____	supermarkets
continuity programs	_____	supermarkets
in-store coupons	_____	supermarkets
double value for manufacturer coupons	_____	supermarkets

29. What percentage of your *total* sales was spent on advertising by the company? _____ %

30. What percentage of your advertising budget was spent on

newspaper	_____	%
radio	_____	%
television	_____	%
mailer/flyer	_____	%
in-store coupons	_____	%
billboards	_____	%
	100	%

31. How many of your supermarkets are presently accepting credit cards

for grocery items?	_____	supermarkets
for general merchandise?	_____	supermarkets

32. How many of your supermarkets are presently carrying the following categories of general merchandise?

wearing apparel	_____	supermarkets
appliances	_____	supermarkets
automotive supplies (oil & accessories)	_____	supermarkets
baby accessories	_____	supermarkets
books/magazines	_____	supermarkets
housewares/glassware	_____	supermarkets
greeting cards	_____	supermarkets
hardware (tools, nails, etc.)	_____	supermarkets
hosiery	_____	supermarkets
photo supplies	_____	supermarkets
pet supplies	_____	supermarkets
school supplies, stationery	_____	supermarkets

III. Scanning

33. Approximately how many of your supermarkets will have operational scanning installations by the end of

1980? ..... supermarkets
1981? ..... supermarkets
1982? ..... supermarkets

34. In which of the following ways are you currently using your scanning POS data (please check as many as apply)?

don't have scanners ..... ☐ 1
shrink analysis ..... ☐ 2
store inventory control-automatic reordering ..... ☐ 3
work scheduling ..... ☐ 4
shelf allocation ..... ☐ 5
results of promotions and advertised specials ..... ☐ 6
price elasticity ..... ☐ 7
coupon accounting ..... ☐ 8
not currently making use of available data ..... ☐ 9

IV. Produce Department

35. What percentage of your *total* sales in 1979 was accounted for by the produce department? .. ____ %

36. What is the average percent of selling area—"customer area"—devoted to the produce department? ..... ____ %

37. In your produce department, what is the average number of employees per store, including the department manager? ..... ____ (number of employees)

38. What were your produce sales per labor-hour for produce department employees, including the department manager, in 1979? ..... $ ____ (sales per labor-hour)

39. On average, how many different *fresh* produce items does your produce department carry

in the summer? ..... ____ items
in the winter? ..... ____ items

40. What percentage of your produce display is

bulk? ..... ____ %
pre-pack? ..... ____ %
100 %

41. What percentage of your produce items are weighed

at the front end? ..... ____ %
in the produce department? ..... ____ %
100 %

42. Are you using item price look-up at the front end?

Yes ..... ☐ 1
No ..... ☐ 2

43. Are you scanning pre-pack produce at the checkout?

Yes	☐ 1
No	☐ 2
Don't have scanners	☐ 3

V. Personnel

44. What was the average number of employees in your company in 1979 in the following job categories?

Job Category	Number of Employees
part time (store level)	employees
full time (store level)	employees
below department manager	employees
department manager	employees
store manager/assistant	employees
warehouse/distribution	employees
division/headquarters (below vice president)	employees
division/headquarters (vice president and above)	employees
TOTAL (full & part time)	employees

45. What was your annual turnover percentage in 1979 for each job category (annual turnover percentage relates the number of employees who leave a job during the year to the number of employees in the job category at the end of the year)?

$$\text{Annual Job Category Turnover Percentage} = \frac{\text{Number of employees who left job category during 1979 (includes all promotions, resignations and dismissals)}}{\text{Number of employees in job category at the end of 1979}} \times 100$$

Job Category	Annual Turnover Percentage
part time (store level)	%
full time (store level)	%
below department manager	%
department manager	%
store manager/assistant	%
warehouse/distribution	%
division/headquarters (below vice president)	%
division/headquarters (vice president and above)	%
all full time employees	%
all part time employees	%

Your participation and cooperation is greatly appreciated. Please indicate the number of additional copies (up to 10) of the final report that you would like to receive: _____

Name _____

Title _____

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